陸拾

世界華文媒體 MEDIA CHINESE

ANNUAL REPORT 2018/19

明報 陸拾 求真如一

星洲日報 情義九十

世界華文媒體有限公司
Media Chinese International Limited

明報 MING PAO DAILY NEWS　星洲日報 SIN CHEW DAILY　南洋商報 NANYANG SIANG PAU　中國報 CHINA PRESS　光明日報 Guang Ming Daily

Malaysia Company No. : 995098-A　Malaysia Stock Code : 5090　Hong Kong Stock Code : 685

CONTENTS

Corporate Information

NON-EXECUTIVE DIRECTOR

Dato' Sri Dr TIONG Ik King *(Chairman)*

EXECUTIVE DIRECTORS

Ms TIONG Choon
Mr TIONG Kiew Chiong
(Group Chief Executive Officer)
Mr LEONG Chew Meng

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr YU Hon To, David
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

GROUP EXECUTIVE COMMITTEE

Mr TIONG Kiew Chiong *(Chairman)*
Mr LEONG Chew Meng
Mr NG Kait Leong
Mr WONG Khang Yen

AUDIT COMMITTEE

Mr YU Hon To, David *(Chairman)*
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

REMUNERATION COMMITTEE

Datuk CHONG Kee Yuon *(Chairman)*
Mr YU Hon To, David
Mr KHOO Kar Khoon
Mr TIONG Kiew Chiong
Mr LEONG Chew Meng

NOMINATION COMMITTEE

Mr KHOO Kar Khoon *(Chairman)*
Mr YU Hon To, David
Datuk CHONG Kee Yuon

JOINT COMPANY SECRETARIES

Ms TIN Suk Han
Ms TONG Siew Kheng

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
OCBC Wing Hang Bank Limited
Public Bank Berhad
RHB Bank Berhad

AUDITOR

PricewaterhouseCoopers

STOCK CODE

The Stock Exchange of Hong Kong Limited	685
Bursa Malaysia Securities Berhad	5090

WEBSITE

www.mediachinesegroup.com

Corporate Information

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

15th Floor, Block A
Ming Pao Industrial Centre
18 Ka Yip Street
Chai Wan
Hong Kong
Tel: (852) 2595 3111
Fax: (852) 2898 2691

MALAYSIA HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

No. 19, Jalan Semangat
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7965 8888
Fax: (603) 7965 8689

REGISTERED OFFICE IN BERMUDA

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda
Tel: (441) 295 1443
Fax: (441) 292 8666

REGISTERED OFFICE IN MALAYSIA

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: (603) 7841 8000
Fax: (603) 7841 8199

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda
Tel: (852) 2978 5656
Fax: (852) 2530 5152

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185

MALAYSIA BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32–01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel: (603) 2783 9299
Fax: (603) 2783 9222

Customer Service Centre:
Unit G–3, Ground Floor,
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Profile of Board of Directors

Dato' Sri Dr TIONG Ik King

Non-executive Director and Chairman (Non-independent)

Malaysian, male, aged 68

Dato' Sri Dr TIONG Ik King was appointed as an executive director of Media Chinese International Limited (the "Company" or "MCIL") on 20 October 1995 and was re-designated as a non-executive director on 1 April 2017. He was then appointed as the Chairman of the Company on 1 April 2018. He has extensive experience in media and publishing, information technology, timber, plantations, oil palm and manufacturing industries.

Dato' Sri Dr TIONG graduated from the National University of Singapore with an M.B.B.S. Degree in 1975 and became a member of the Royal College of Physicians, United Kingdom (M.R.C.P.) in 1977. He was conferred the datukship title of Dato' Sri by the Sultan of Pahang, Malaysia on 24 October 2008 in recognition of his contribution to the country.

Dato' Sri Dr TIONG currently serves as a non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia and as a non-executive director and Chairman of RH Petrogas Limited, a listed company in Singapore. He is a trustee of Yayasan Sin Chew and sits on the board of a subsidiary of the Company.

He is a brother of Tan Sri Datuk Sir TIONG Hiew King, an uncle of Ms TIONG Choon and a distant relative of Mr TIONG Kiew Chiong. Both Dato' Sri Dr TIONG Ik King and Tan Sri Datuk Sir TIONG Hiew King are substantial shareholders of the Company. In addition, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company.

拿督斯里張翼卿醫生

非執行董事兼主席(非獨立)

馬來西亞公民,男性,68歲

拿督斯里張翼卿醫生於1995年10月20日獲委任為世界華文媒體有限公司(「本公司」)執行董事,並於2017年4月1日調任為非執行董事。他其後於2018年4月1日獲委任為本公司主席。他在傳媒及出版、資訊科技、木材、林業、油棕及製造業領域均擁有豐富經驗。

拿督斯里張醫生於1975年畢業於新加坡國立大學,獲頒內外全科醫學士學位,並於1977年取得英國皇家內科醫學院會員資格。他於2008年10月24日獲馬來西亞彭亨州蘇丹頒授拿督斯里封號,以表揚他對國家的貢獻。

拿督斯里張醫生現任馬來西亞上市公司常成控股有限公司之非執行董事及新加坡上市公司常青石油及天然氣有限公司之非執行董事兼主席。他是星洲日報基金會信託人,同時出任本公司一間附屬公司之董事。

他是丹斯里拿督張曉卿爵士的胞弟、張聰女士的叔父及張裘昌先生的遠房親戚。拿督斯里張翼卿醫生及丹斯里拿督張曉卿爵士均為本公司的主要股東。此外,張聰女士和張裘昌先生均為本公司之董事。

Profile of Board of Directors

Ms TIONG Choon

Executive Director

Malaysian, female, aged 50

Ms TIONG Choon was appointed as a non-executive director of the Company on 31 March 2013 and was re-designated as an executive director of the Company on 17 July 2017. She was appointed as the Chairman of One Media Group Limited ("One Media") on 1 April 2018, a subsidiary of the Company which is on the main board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). She is a director of Sin Chew Media Corporation Berhad ("Sin Chew"), a wholly-owned subsidiary of the Company in Malaysia and sits on the board of a number of subsidiaries of the Company. She has started her career with Rimbunan Hijau Group since 1991 and served in various managerial and senior positions in plantation and hospitality sectors. She holds a Bachelor of Economics Degree from Monash University, Australia. She is currently a non-independent non-executive director of Jaya Tiasa Holdings Berhad, a listed company in Malaysia.

Ms TIONG is a daughter of Tan Sri Datuk Sir TIONG Hiew King, a niece of Dato' Sri Dr TIONG Ik King and a distant relative of Mr TIONG Kiew Chiong. Both Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King and Mr TIONG Kiew Chiong are directors of the Company.

張聰女士

執行董事

馬來西亞公民，女性，50歲

張聰女士於2013年3月31日獲委任為本公司非執行董事，其後於2017年7月17日調任為執行董事。她亦於2018年4月1日獲委任為萬華媒體集團有限公司(「萬華媒體」)之主席，該公司是本公司附屬公司，於香港聯合交易所有限公司(「香港聯交所」)主板上市。她亦出任星洲媒體集團有限公司(「星洲媒體」)及本公司多間附屬公司之董事。她於1991年加入常青集團開展其職業歷程，於林業及酒店服務業擔任管理層及高級主管之職務。她持有澳洲莫納什大學經濟學學士學位。她現為馬來西亞上市公司常成控股有限公司之非獨立非執行董事。

張女士為丹斯里拿督張曉卿爵士的女兒、拿督斯里張翼卿醫生的侄女及張裘昌先生的遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生和張裘昌先生均為本公司之董事。

Mr TIONG Kiew Chiong

Executive Director and Group Chief Executive Officer

Malaysian, male, aged 59

Mr TIONG Kiew Chiong was appointed as an executive director of the Company on 2 May 1998. He is the Group Chief Executive Officer, the Chairman of the Group Executive Committee and a member of Remuneration Committee of the Company. Mr TIONG is also the Deputy Chairman of One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange since October 2005. Mr TIONG sits on the board of a number of subsidiaries of the Company. He is also the alternate trustee to Dato' Sri Dr TIONG Ik King in Yayasan Sin Chew. He has extensive experience in media and publishing business and is also one of the founders of *The National*, an English newspaper in Papua New Guinea launched in 1993. Mr TIONG obtained his Bachelor Degree of Business Administration (Honours) from York University, Toronto, Canada in 1982.

He is a distant relative of Tan Sri Datuk Sir TIONG Hiew King, Dato' Sri Dr TIONG Ik King and Ms TIONG Choon. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are substantial shareholders of the Company. In addition, Dato' Sri Dr TIONG Ik King and Ms TIONG Choon are directors of the Company.

張裘昌先生

執行董事及集團行政總裁

馬來西亞公民，男性，59歲

張裘昌先生於1998年5月2日獲委任為本公司執行董事。他是集團行政總裁、集團行政委員會主席及本公司的薪酬委員會成員。張先生也是萬華媒體的副主席。該公司是本公司附屬公司，自2005年10月起在香港聯交所主板上市。張先生出任本公司多間附屬公司之董事。他也擔任拿督斯里張翼卿醫生於星洲日報基金會的副信託人。他在傳媒及出版業擁有豐富經驗，於1993年在巴布亞新幾內亞參與創辦英文報章《*The National*》。張先生於1982年畢業於加拿大多倫多約克大學，獲頒工商管理學士(榮譽)學位。

他是丹斯里拿督張曉卿爵士、拿督斯里張翼卿醫生及張聰女士之遠房親戚。丹斯里拿督張曉卿爵士及拿督斯里張翼卿醫生均為本公司的主要股東。此外，拿督斯里張翼卿醫生和張聰女士均為本公司之董事。

Profile of Board of Directors

Mr LEONG Chew Meng
Executive Director
Malaysian, male, aged 63

Mr LEONG Chew Meng was appointed as a non-executive director of the Company on 14 April 2008 and was re-designated as an executive director of the Company on 31 March 2013. He is a member of the Group Executive Committee and Remuneration Committee of the Company. He is also an executive director of Sin Chew. He obtained his Bachelor of Commerce and Administration Degree majoring in accountancy from Victoria University of Wellington in New Zealand. He is a Chartered Accountant of the Malaysian Institute of Accountants and qualified as an Associate Chartered Accountant of the Institute of Chartered Accountants, New Zealand. He is an accountant by profession with extensive working experience of more than 35 years in Malaysia. In his professional roles, he was previously the financial controller and finance director of several foreign-owned multinational companies in the manufacturing, trading and retail sectors, and he subsequently diversified into the commercial sector as a business consultant and financial advisor to both private entities and public listed companies. Included in his diverse experience was a period of more than 10 years' business exposure in main stream media corporations.

梁秋明先生
執行董事
馬來西亞公民，男性，63歲

梁秋明先生於2008年4月14日獲委任為本公司非執行董事，其後於2013年3月31日獲調任為執行董事。他是本公司集團行政委員會及薪酬委員會成員。他亦是星洲媒體之執行董事。他在紐西蘭威靈頓維多利亞大學取得商管學學士學位，主修會計。他是馬來西亞會計師公會之特許會計師及紐西蘭特許會計師公會之特許會計師。他是一名專業會計師，在馬來西亞擁有超過35年之豐富工作經驗。在他的專業範疇中，他曾於數間經營製造業、貿易及零售業之外資跨國公司出任財務主管及財務總監，其後晉身商界，出任私人公司及上市公司之商業諮詢顧問及財務顧問，當中亦包括逾10年主流媒體機構之豐富商業經驗。

Mr YU Hon To, David
Independent Non-executive Director
Chinese, male, aged 71

Mr YU Hon To, David was appointed as an independent non-executive director of the Company on 30 March 1999. He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. He is also an independent non-executive director of One Media, a subsidiary of the Company which has been listed on the main board of the HK Stock Exchange since October 2005 and Ming Pao Holdings Limited, a wholly-owned subsidiary of the Company. Mr YU is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Hong Kong Institute of Certified Public Accountants. He was formerly a partner of an international accounting firm with extensive experience in corporate finance, auditing and corporate management.

Mr YU is an independent non-executive director of China Renewable Energy Investment Limited, China Resources Gas Group Limited, Haier Electronics Group Co., Limited, Keck Seng Investments (Hong Kong) Limited, MS Group Holdings Limited, New Century Asset Management Limited (the manager of New Century Real Estate Investment Trust which is listed on the HK Stock Exchange), and Playmates Holdings Limited, which are listed companies in Hong Kong. In the past three years preceding 31 March 2019, Mr YU had been an independent non-executive director of Synergis Holdings Limited, Bracell Limited (formerly known as Sateri Holdings Limited) and Great China Holdings Limited. Bracell Limited was privatised and the shares of which were withdrawn from the HK Stock Exchange on 24 October 2016.

俞漢度先生
獨立非執行董事
中國公民，男性，71歲

俞漢度先生於1999年3月30日獲委任為本公司獨立非執行董事。他是本公司的審核委員會主席，以及薪酬委員會及提名委員會成員。他也是自2005年10月起於香港聯交所主板上市之本公司附屬公司萬華媒體及本公司全資附屬公司明報集團有限公司的獨立非執行董事。俞先生為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員。他是一間國際會計師事務所的前合夥人，擁有豐富的企業融資、審核及企業管理經驗。

俞先生是中國再生能源投資有限公司、華潤燃氣控股有限公司、海爾電器集團有限公司、激成投資（香港）有限公司、萬成集團股份有限公司、開元產業投資信託基金（於香港聯交所上市）之管理人 — 開元資產管理有限公司及彩星集團有限公司的獨立非執行董事，該等公司為香港上市公司。於2019年3月31日止前三年期間，俞先生曾任昇捷控股有限公司、Bracell Limited（前稱賽得利控股有限公司）及大中華集團有限公司之獨立非執行董事。Bracell Limited已於2016年10月24日被私有化，其股份亦於同日在香港聯交所撤銷。

Datuk Chong Kee Yuon
Independent Non-executive Director
Malaysian, male, aged 53

Datuk CHONG Kee Yuon was appointed as an independent non-executive director of the Company on 1 April 2016. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. He graduated from the University of Wisconsin, Madison in the United States in 1989 with a Bachelor of Business Administration. Datuk CHONG has over 25 years of experience in the field of education and corporate training. He is the managing director of Erican Education Group, an education provider engaging in tertiary education, early education, language training and corporate training. He is also the president of Branding Association of Malaysia.

拿督張啟揚
獨立非執行董事
馬來西亞公民，男性，53歲

拿督張啟揚於2016年4月1日獲委任為本公司獨立非執行董事。他是本公司薪酬委員會主席，以及審核委員會及提名委員會成員。他於1989年畢業於美國威斯康辛大學麥迪遜分校，持有工商管理學位。拿督張啟揚擁有逾25年教育及企業培訓之經驗。他是Erican Education Group的董事總經理。該教育機構從事高等教育、早期教育、語言培訓及企業培訓等業務。他也是馬來西亞品牌協會會長。

Profile of Board of Directors

Mr KHOO Kar Khoon
Independent Non-executive Director
Malaysian, male, aged 54

Mr KHOO Kar Khoon was appointed as an independent non-executive director of the Company on 23 June 2016. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. He has extensive experience in the media and advertising industry and is an Associate Member of the Chartered Institute of Management Accountants, United Kingdom. Mr KHOO started his career with Coopers & Lybrand in 1990 after graduation. He built his career in the advertising industry and joined Bates Advertising during 1991 to 1995, holding the position of Cost Accountant. He was one of the key founders of Zenith Media, which was established in 1995 and is the first and one of the largest media specialists in Malaysia, principally engages in providing advertising and marketing services in Malaysia. Mr KHOO then joined Nestle Products Sdn Bhd in 2000 as Media Manager. During 2009 and up to June 2016, he was promoted and acted as the Communications Director of the company.

Mr KHOO is a veteran and active player in the advertising scene in Malaysia where he was also the President and Advisor to the Malaysian Advertisers Association (MAA), Executive Member of Asian Federation of Advertising Association (AFAA), Board of Advisor to School of Marketing, University Utara Malaysia (UUM), Board Member of Audit Bureau of Circulation (ABC) and Board Member of Communication and Multimedia Content Forum (CMCF) in Malaysia.

Notes:

Conflict of interest
Save for Dato' Sri Dr TIONG Ik King, Ms TIONG Choon and Mr TIONG Kiew Chiong, who are related parties in some related party transactions with the Group, the details of which are set out in the circular dated 12 July 2019 and on pages 64 to 66 of this Annual Report, none of the other directors has any conflict of interest with the Company.

Conviction of offences
None of the above directors has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship
Save as disclosed, none of the other directors has any family relationship with any director and/or major shareholders of the Company.

Record of attendance
Record of attendance of directors for board meetings during the financial year ended 31 March 2019 is set out on page 48.

邱甲坤先生
獨立非執行董事
馬來西亞公民，男性，54歲

邱甲坤先生於2016年6月23日獲委任為本公司獨立非執行董事。他是本公司提名委員會主席，以及審核委員會及薪酬委員會成員。他在媒體及廣告行業擁有豐富經驗，並為英國特許管理會計師公會會員。邱先生畢業後，於1990年在Coopers & Lybrand開始其事業。於1991年至1995年間，他於廣告行業發展，加入Bates Advertising出任成本會計師。他為Zenith Media主要創辦人之一。該公司於1995年成立，為馬來西亞首間及其中一間大型媒體專業公司，主要於馬來西亞從事提供廣告及市場推廣服務。邱先生其後於2000年加入Nestle Products Sdn Bhd出任媒體經理，並於2009年晉升為傳訊總監，直至2016年6月。

邱先生為馬來西亞廣告行業資深人士，活躍於業界。他亦曾任馬來西亞廣告商協會(MAA)會長及顧問、亞洲廣告協會聯盟(AFAA)執行委員、馬來西亞北方大學(UUM)市場學院顧問委員會成員、出版銷數公證會(ABC)董事會成員以及馬來西亞通訊與多媒體內容論壇(CMCF)董事會成員。

附註：

利益衝突
除拿督斯里張翼卿醫生、張聰女士及張裘昌先生（彼等均為本集團若干關連方交易中之關連方，有關詳情載於2019年7月12日刊發之通函及本年報第64至66頁）外，概無其他董事與本公司有任何利益衝突。

犯罪紀錄
除交通違規外，概無任何上述董事於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施加任何處罰。

家族成員關係
除所披露者外，概無其他董事與本公司任何董事及／或主要股東有任何家族關係。

會議出席記錄
董事於截至2019年3月31日止財政年度之董事會會議出席記錄載於第48頁。

Profile of Senior Management

Mr NG Kait Leong

Malaysian, male, aged 67

Mr NG Kait Leong joined Nanyang Press Holdings Berhad ("Nanyang") in 2007. He is an executive director of Nanyang and The China Press Berhad. He has been a member of the Malaysian Executive Committee since 4 March 2008 and is also a member of the Group Executive Committee. He graduated from London College of Printing, United Kingdom and later obtained his Advance Certificate in Graphic Reproduction from City & Guilds of London Institute, United Kingdom. He was the Production Manager of Nanyang from 1974 to 1983, was promoted to the position of Senior Production Manager in 1983 and became the General Manager (Production) from 1986 to 1989. He joined Sin Chew as Technical and Project Consultant in 1990, joined MAN Roland Asia Pacific as Regional Technical Director in 1993 and re-joined Sin Chew as Group Technical and Project Consultant from 2002 to 2006.

伍吉隆先生

馬來西亞公民，男性，67歲

伍吉隆先生於2007年加入南洋報業控股有限公司(「南洋報業」)。他是南洋報業及中國報有限公司之執行董事。他自2008年3月4日成為馬來西亞行政委員會成員，也是集團行政委員會成員。他畢業於英國倫敦印刷學院，其後獲英國城市專業學會頒發圖像複製高級證書。他於1974年至1983年期間任職南洋報業生產經理，並於1983年擢升為高級生產經理，及後於1986年至1989年期間出任生產部總經理。他於1990年加入星洲媒體擔任技術及項目顧問，於1993年轉投曼羅蘭亞太出任地區技術董事，及後於2002年至2006年期間重返星洲媒體出任集團技術及項目顧問。

Mr WONG Khang Yen

Malaysian, male, aged 51

Mr WONG Khang Yen joined the Group in 1992. He is an executive director and the Group Chief Executive Officer of Sin Chew. He is a member of the Group Executive Committee and the Malaysian Executive Committee since 1 June 2018.

Mr WONG graduated with a Bachelor of Communications (Hons) Degree from University of Science Malaysia in 1992. He started his career in Sin Chew and became a senior manager in 1997 and the General Manager in 2006. He assumed the post of Group Marketing Director in 2010 and a year later became an executive director of Sin Chew. He currently oversees the sales and marketing operations, as well as leading the business expansion and diversification of Sin Chew Group.

黃康元先生

馬來西亞公民，男性，51歲

黃康元先生於1992年加入本集團。他是星洲媒體的執行董事及其集團首席執行員。他自2018年6月1日成為集團行政委員會及馬來西亞行政委員會成員。

黃先生於1992年畢業於馬來西亞理科大學，獲頒傳媒(榮譽)學士學位。他於星洲媒體展開其職業生涯，並於1997年出任高級經理及於2006年擔任總經理。他於2010年擔任集團市場總監一職，一年後成為星洲媒體的執行董事。他目前負責監督銷售及市場營銷業務，並帶領星洲媒體集團的業務拓展及多元化發展。

Profile of Senior Management

Mr LIEW Sam Ngan

Malaysian, male, aged 61

Mr LIEW Sam Ngan joined Nanyang in 1994. He is an executive director of Nanyang and its subsidiaries, and is currently the Group Chief Operating Officer of Nanyang cum Chief Executive Officer of The China Press Berhad. He has been a member of the Malaysian Executive Committee since 1 February 2013.

He is a Chartered Accountant by profession, a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. He started his career in one of the major public accounting firms after graduation in 1983. He joined the media industry in 1987 and has since then gained extensive working experience in the media industry. He had worked in New Strait Times Press, Life Publishers and Nanyang. Prior to taking up operating role in *China Press* in 2001, he was the Group Financial Controller of Nanyang.

廖深仁先生

馬來西亞公民，男性，61歲

廖深仁先生於1994年加入南洋報業。他為南洋報業及其附屬公司之執行董事，現任南洋報業之集團總營運長兼中國報有限公司之總執行長。他自2013年2月1日起為馬來西亞行政委員會成員。

他是一名專業特許會計師、馬來西亞會計師公會會員及英國特許公認會計師公會之資深會員。他於1983年畢業後加入其中一間主要公眾會計師事務所展開工作生涯。他於1987年加入媒體行業，自此於媒體行業取得豐富經驗。他曾任職於New Strait Times Press、生活出版社及南洋報業。他於2001年在《*中國報*》擔任營運角色前，曾任南洋報業之集團財務主管。

Mr LEUNG Heung Nam

Chinese, male, aged 62

Mr LEUNG Heung Nam joined the Group in 1990 and had worked in various positions within the Editorial Department of *Ming Pao Daily News*. He left his position as Executive Chief Editor in 2005. He re-joined the Group from 2008 to 2012 and served as the News Manager responsible for overseeing the operations of mingpao.com. In 2016, Mr LEUNG re-joined the Group and currently is the Editor-In-Chief of *Ming Pao Daily News* and a director of Ming Pao Newspapers Limited. He has been a member of the Hong Kong Executive Committee since 1 January 2017. Mr LEUNG is a veteran media professional and has over 25 years of experience in journalism. He had worked in various media organisations including *Ming Pao Evening News*, TVB News and i-Cable News.

梁享南先生

中國公民，男性，62歲

梁享南先生於1990年加入本集團，曾在《*明報*》編輯部不同部門工作。他於2005年離職時任執行總編輯。他於2008年至2012年再度加入本集團出任新聞經理，負責監督及經營mingpao.com。梁先生於2016年重返本集團，現任《*明報*》總編輯及明報報業有限公司之董事。他自2017年1月1日成為香港行政委員會成員。梁先生是資深傳媒人，擁有超過25年新聞工作經驗，曾先後在《*明報晚報*》、無綫電視新聞部及有線電視新聞部等媒體機構工作。

Profile of Senior Management

Mr KAM Woon Ting, Keith

Chinese, male, aged 62

Mr KAM Woon Ting, Keith joined the Group in 1995. He is a director of Ming Pao Newspapers Limited and has been a member of the Hong Kong Executive Committee since 13 March 2001. Mr KAM has been in the advertising and media industry since 1976. Prior to joining the Group, he had held senior positions in various leading international advertising companies and a newspaper company. Mr KAM has extensive managerial experience in publishing, management, operation, business and distribution development of printed media products. He has been the Chairman of The Newspaper Society of Hong Kong since 2007.

甘焕腾先生

中國公民，男性，62歲

甘焕腾先生於1995年加入本集團。他是明報報業有限公司之董事。他自2001年3月13日成為香港行政委員會成員。甘先生自1976年起已從事廣告及傳媒工作。加入本集團前，他曾在多間國際知名的廣告公司及報業公司擔任高層管理職位。甘先生於印刷媒體產品出版、管理、營運、業務及發行推廣均擁有豐富管理經驗。他自2007年起一直擔任香港報業公會主席。

Mr LAM Pak Cheong

Chinese, male, aged 50

Mr LAM Pak Cheong joined the Group in 2000. He currently is the Company's Head of Finance and has been a member of the Hong Kong Executive Committee since 30 April 2008. He is also the Chief Executive Officer, Editorial Director and an executive director of One Media. Mr LAM has extensive experience in corporate development, media operations, mergers and acquisitions and corporate governance. He is an Associate of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr LAM obtained his Master of Business Administration in Financial Services jointly from the University of Manchester and the University of Wales, Bangor in the United Kingdom and Master of Corporate Governance from the Hong Kong Polytechnic University.

林栢昌先生

中國公民，男性，50歲

林栢昌先生於2000年加入本集團。他現為本公司之財務總裁及自2008年4月30日成為香港行政委員會成員。他亦是萬華媒體之行政總裁、編務總監及執行董事。林先生在企業發展、媒體業務、合併收購及企業管治方面擁有豐富經驗。他是香港特許秘書公會以及英國特許秘書及行政人員公會會員。林先生獲英國曼徹斯特大學及威爾斯大學(班戈)聯合頒授財務服務學工商管理碩士學位，以及香港理工大學頒授公司管治碩士學位。

Notes:

Conflict of interest

Save as disclosed, none of the above Senior Management members has any conflict of interest with the Company.

Conviction of offences

None of the above Senior Management members has been convicted of any offences (other than traffic offences) within the past 5 years and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the current financial year.

Family relationship

Save as disclosed, none of the above Senior Management members has any family relationship with any director and/or major shareholder of the Company.

附註：

利益衝突

除所披露者外，概無任何上述之高級管理層成員與本公司有任何利益衝突。

犯罪紀錄

除交通違規外，概無任何上述之高級管理層成員於過去五年內有任何犯罪紀錄或於本財政年度內被有關監管機構施加任何處罰。

家族成員關係

除所披露者外，概無任何上述之高級管理層成員與本公司任何董事及／或主要股東有任何家族關係。

Chairman's Statement

Dear Shareholders,

2019 marks the 90th and 60th anniversaries of *Sin Chew Daily and Ming Pao Daily News*, the Group's flagship publications in Malaysia and Hong Kong respectively. In 2018, the Group celebrated the 95th anniversary of *Nanyang Siang Pau* and the 50th anniversary of *Ming Pao Weekly*. The long-standing continuation of these publications in the Group is a testament to the quality of our products and the strong connection we have built throughout the years with our readers, advertisers, communities and our employees. All these however, would not have been possible without the leadership of our top management and especially that of our Honorary Chairman, Tan Sri Datuk Sir TIONG Hiew King.

On behalf of the Board, I would like to offer our heartfelt gratitude to Tan Sri Datuk Sir TIONG Hiew King for his guidance and valuable contributions. Under his chairmanship, our Group has made great achievements and scaled new heights. He has left a huge legacy and a vacuum that is hard to fill. We will always remember him and his accomplishments, and strive to adhere to the values he inculcated.

Tan Sri Datuk Sir TIONG Hiew King stepped down as the Group's Non-Executive Director on 1 April 2019. The Board has appointed him as the Group's Honorary Chairman, effective 1 April 2019, in recognition of his great contribution to the Group.

FINANCIAL YEAR 2018/2019

The Group's total turnover for the current financial year was US$285,560,000 as compared to last year's total of US$284,963,000 and reflecting a marginal growth of 0.2%. The Group reported a loss before income tax of US$6,537,000, compared to a loss before income tax of US$6,874,000 in the previous year. The loss was mainly attributed to the provisions for impairment of goodwill and certain plant and machinery which amounted to US$17,977,000 (2017/2018: US$25,855,000).

Turnover for the publishing and printing segment fell 7.7% to US$193,957,000 from US$210,093,000 in the last year. Besides the decline in revenue, the result of this segment was also adversely affected by the aforementioned provisions. The segment reported a loss before income tax of US$7,876,000 compared to last year's loss of US$6,077,000.

The travel segment, on the other hand, achieved a 22.3% growth in turnover to US$91,603,000. As a result, the travel segment's profit before income tax surged 93.9% to US$4,579,000 from US$2,361,000 recorded in 2017/2018.

Basic loss per share for the year ended 31 March 2019 was US0.67 cents, compared with a basic loss per share of US0.68 cents in the previous year. As at 31 March 2019, the Group's net assets stood at US$167,759,000, which was 15.1% lower than the previous year's US$197,669,000. The Group's net gearing ratio was zero as at 31 March 2019.

OPERATIONS

The financial year under review has been difficult and challenging for the Group's publishing and printing segment due to the volatile economic conditions as well as the growing impact of the digital media. Turnover from the Group's publishing and printing operations in Malaysia and Hong Kong fell 9.1% and 1.8% respectively when compared to last year.

In the light of rapidly changing market conditions, the Group has continued its cost control efforts with a focus on improving the efficiency of printing processes, consolidation of common business functions, rationalisation of work space and redeployment of staff. At the same time, the Group has enhanced its editorial content and distribution channels in order to grow its audience base.

Furthermore, the Group has been developing new digital strategies which included offering new digital advertising solutions such as bespoke videos with interesting storylines . Cross platform marketing has also helped to improve the revenue of the digital operations which grew by about 10% for the financial year under review.

Our travel segment's performance was outstanding and very encouraging. It was driven mainly by increased demand for the segment's high quality, flexible and varied holiday packages.

MOVING FORWARD

The operating environment will remain challenging for the next financial year, and the trade tension between China and the US adds to the uncertainty in the world's economy.

Nevertheless, the Group will make every effort to improve its publishing and printing businesses, including taking necessary measures to reposition its products and prioritize the retraining of its employees to meet the rising demands of readers and advertisers.

Last year, the Group's editorial operations in Malaysia embarked on its "Digital First" transformation program and a groundbreaking editorial system was rolled out in February 2019. This new editorial platform will enable a convergence of both its print and digital editorial operations, simplify the newsroom processes, and allow faster and more convenient ways for content to be shared and accessed through a single integrated platform at anytime and anywhere. At the same time, the Group will continue to improve on its digital solutions for advertisers.

Notwithstanding all the challenges it encounters, the Group will strive to further improve and strengthen its core businesses. In the next financial year, for its publishing and printing segment, the Group will do its best to deliver content that meets the demands of its readers and introduce new advertising solutions by leveraging on all its channels of delivery to improve the reach of its advertisers. In Malaysia, the Group will focus on developing and enhancing its digital content with its newly acquired editorial software. It will collaborate with professional producers to produce more attractive and entertaining videos. For the travel segment, the Group intends to offer a broader range of unique and exclusive tour packages to sustain its revenue growth.

We recognize the importance of innovation and technology on the Group's businesses. The Group sees the urgent need to stay ahead of the curve in the face of new technological advancements. As such, the Group is looking into ways to diversify its revenue stream by investing in new technology ventures and start-ups. These investments can span from publications, finance-related projects, e-commerce, renewable energy supply and other non-publication related activities. In addition, the Group will look for opportunities to unlock the value of its real estate assets. We hope these diversification initiatives will provide growth opportunities for the Group and reduce its reliance on its current core businesses over time.

Chairman's Statement

CORPORATE GOVERNANCE & SUSTAINABILITY

The Board is committed to practising high standards of corporate governance and integrating sustainability measures into its operations throughout the Group. Details of our corporate governance initiatives, risk management, internal control policies and sustainability efforts are set out in the relevant sections of this Annual Report.

DIVIDENDS

The Board has declared a second interim dividend in lieu of final dividend of US0.10 cents per ordinary share payable on 12 July 2019. Together with the first interim dividend of US0.18 cents paid on 28 December 2018, the Group has declared a total of US0.28 cents per ordinary share for the financial year 2018/2019. This represents a dividend payout ratio of about 70.7% of the adjusted profit attributable to owners of the Company* and a dividend yield of 5.2% based on the Company's closing share price on 31 March 2019.

* *Excluding the provisions for impairment of goodwill of US$15,227,000 and of plant and machinery of US$2,750,000.*

APPRECIATION

I wish to express my sincere gratitude and appreciation on behalf of the Group to our shareholders, readers, viewers, advertisers, business partners, and other stakeholders for their continued support and trust in the Group. I also wish to thank our management and staff for their hard work and contributions in adding value to all our stakeholders in today's challenging media industry.

Dato' Sri Dr TIONG Ik King
Non-executive Chairman

28 May 2019

FINANCIAL HIGHLIGHTS

(US$'000)

	Year ended 31 March		
	2019	2018	*% Change*
Turnover	**285,560**	284,963	0.2%
Profit before income tax and provisions for impairment of goodwill, property, plant and equipment	**11,440**	18,981	–39.7%
Provision for impairment of goodwill	**(15,227)**	(20,709)	26.5%
Provision for impairment of property, plant and equipment	**(2,750)**	(5,146)	46.6%
Loss before income tax	**(6,537)**	(6,874)	4.9%
Loss for the year	**(11,716)**	(12,205)	4.0%
Loss attributable to owners of the Company	**(11,293)**	(11,485)	1.7%
EBITDA	**4,595**	8,687	–47.1%
Basic loss per share (US cents)	**(0.67)**	(0.68)	1.5%

OVERALL REVIEW OF OPERATIONS

The Group's turnover for the year under review amounted to US$285,560,000, a marginal increase of 0.2% over the last year's total of US$284,963,000. The slight improvement was mainly attributable to the travel segment which achieved a 22.3% growth in revenue to US$91,603,000 from last year's US$74,870,000. On the other hand, revenue from the Group's publishing and printing segment fell 7.7% year-on-year from last year's US$210,093,000 to US$193,957,000.

The Group reported a loss before income tax of US$6,537,000 for the year 2018/2019, compared with a loss before income tax of US$6,874,000 for 2017/2018. The loss mainly resulted from the provisions for impairment of goodwill and certain plant and machinery which, in aggregate, amounted to US$17,977,000 (2017/2018: US$25,855,000). The Group's profit before income tax and the above mentioned provisions was US$11,440,000, 39.7% below last year's comparative of US$18,981,000.

During the year ended 31 March 2019, the US dollar weakened against the Malaysian Ringgit ("RM") but strengthened against the Canadian dollar ("CAD"), resulted in net positive currency impacts of approximately US$2,494,000 and US$1,621,000 on the Group's turnover and loss before income tax respectively.

Basic loss per share for the year ended 31 March 2019 was US0.67 cents, compared with the basic loss per share of US0.68 cents in the previous year. As at 31 March 2019, the Group's cash and cash equivalents and short-term bank deposits totalled US$75,155,000 and the Group's net assets per share attributable to owners of the Company was US9.94 cents.

Management Discussion and Analysis

SEGMENTAL REVIEW

Publishing and printing

Malaysia and other Southeast Asian countries

In Malaysia, according to Nielsen, advertisement expenditure (adex) reached RM5.6 billion in FY2018/2019, mainly driven by increased spending by government ministries and agencies and political parties. While adex on traditional media dropped 10.2% compared to FY2017/2018, some of this decline can be attributed to the shift towards digital advertising.

For the year under review, adex for Chinese newspapers accounted for about 34.9% of the total adex for newspapers in Malaysia and the Group's four newspapers took up about 70.7% of the total adex for Chinese newspapers.

Turnover from Malaysia for the year ended 31 March 2019 declined by 9.1% to US$129,906,000 from US$142,848,000 in the previous year. This was mainly attributed to the decrease in advertising revenue, which was partly offset by increased revenue from the segment's digital business. In addition, the increase in the cover price of the Group's four newspapers in Malaysia since March 2018 has also contributed positively to this segment's turnover. The segment reported a loss before income tax of US$2,215,000, compared to last year's loss before income tax of US$2,959,000. This was due to the provisions for impairment of goodwill and certain plant and machinery totalling US$17,977,000 (2017/2018: US$25,855,000). The segment's profit before income tax and the aforesaid provisions was US$15,762,000, 31.2% below last year's comparative of US$22,896,000. The decrease in the segment's operating results was mainly due to the decline in advertising revenue, which was partly offset by the increase in digital business revenue and cost savings.

The Group is the leading Chinese media group in Malaysia with 4 major daily newspapers and a suite of magazine titles. According to the latest data from Audit Bureau of Circulation Malaysia, the Group leads the Chinese newspaper industry with 82.2% of the total average daily print and digital replica circulation sales copies of Chinese language newspapers in Malaysia.

Sin Chew Daily, the leading Chinese daily publication in Malaysia, commands an average daily print circulation of 293,804 copies for the period of January to June 2018 as per Audit Bureau of Circulation Malaysia. The Group continues to grow its digital presence with *Sin Chew Daily* having a total average daily digital replica copies of 117,656 whilst the combined average daily digital replica copies for *Sin Chew Daily*, *Guang Ming Daily* and *China Press* totalled 139,421 copies.

The Group is aware of the importance of the need for a robust and efficient editorial workflow and platform. Hence, in line with its "Digital First" campaign, *Sin Chew Daily* announced its launch of a "merged media system" which was adopted by its editorial department in February 2019. This new editorial system was launched together with a brand new online portal and mobile app. With the new system, its journalists can release news and visuals immediately wherever they are through the use of their mobile phones. This enables content to be reviewed and released to various portals in the fastest time frame. The new system will lead to a total transformation of the current editorial team to enable them to generate different kinds of content to cater for various platforms. The launch of this new editorial system will help publish content that will attract young readers whilst at the same time retain all existing and potential groups of readers and advertisers. The Group also hopes to benefit from monetising the syndication and cross-promotion of the content it produces and distributes.

The Group will continue to pursue new cost management methods, including reorganising and retraining employees to maximise operational efficiency in both print and digital operations.

Hong Kong, Taiwan and Mainland China

Hong Kong's GDP growth slowed to 3.0% in 2018 compared to 3.8% in 2017 amid a slowdown in private consumption and fixed investment. Hong Kong's retail sales recorded a first-time decline of 10.5% in 24 months in February 2019 and total retail sales for the first quarter of 2019 was estimated to drop by 1.2% year-on-year. This reflected a cautious consumer sentiment weighed down by various external uncertainties, including the unsettling trade tension between China and the USA which affected China's economy and consumers' spending power.

The slower economic growth has contributed to a decline in the Group's revenue from this segment. Operations in Hong Kong, Taiwan and Mainland China recorded a total turnover of US$50,654,000 for the year ended 31 March 2019, a 1.8% decline from the previous year's US$51,583,000. The segment's loss before income tax widened to US$3,394,000 from last year's US$585,000, mainly due to the decline in revenue and the inclusion in last year's result a gain on deemed disposal of interest in an associate of US$2,716,000.

2018 marked the 40th anniversary of China's reform and opening-up, on which *Ming Pao Daily News* ("*Ming Pao*") published a series of in-depth reports analysing their origin, significance and influence. During the year, *Ming Pao* also launched special supplements to report on the opening of the West Kowloon High Speed Rail Station and the launch of the Guangdong-Hong Kong-Macao Greater Bay Area Development Plan. The reports provided in-depth analysis, from political, economic and social perspectives, the impacts and opportunities brought about by these new initiatives to Hong Kong. Furthermore, the new "*Discover Hong Kong*" supplement gave readers a better understanding of Hong Kong and its people. The newspaper's culture section also underwent a revamp with new features on philosophy, history, and technology.

Ming Pao won 14 awards, including the coveted winner awards and first runner-up awards, in the "Hong Kong News Awards 2018" organised by The Newspaper Society of Hong Kong.

The Group's business in educational textbooks publishing has been making steady progress and is expected to see further revenue growth and margin improvement through increasing its publications and collaboration with the Group's other publications.

One Media Group, the Group's listed subsidiary providing Chinese language lifestyle publications and outdoor media services in the Greater China region, reported a turnover of US$12,632,000 for the year ended 31 March 2019, representing a year-on-year decline of about 1.4%. The decrease in revenue was due primarily to the cessation of One Media Group's operations in Mainland China since July 2018. Revenue from One Media Group's Hong Kong and Taiwan segment reported a 3.4% growth, mainly attributed to the increase in its digital business revenue from video production, social media and websites. Driven by revenue growth and cost savings, One Media Group's operating results have improved and it reported a profit in the second half-year. It also managed to reduce its loss before income tax for the year to US$1,517,000 from last year's US$2,603,000.

North America

North America's publishing and printing operations recorded a decline in turnover of 14.5% to US$13,397,000 as against last year's US$15,662,000. The Group's business in this segment was negatively impacted by Canada's slowing economy and weakening property market as well as competition from other digital media. Furthermore, the Group ceased its operations in New York since November 2018. Despite a double-digit drop in revenue, this segment's loss narrowed by 10.5% from US$2,533,000 to US$2,267,000, driven mainly by cost savings gained through greater efficiencies and productivity.

Travel and travel related services

During the current year, the travel segment achieved a revenue growth of 22.3% and a 93.9% increase in segment profit before income tax when compared to the last year's results. Turnover and profit before income tax for the year were US$91,603,000 and US$4,579,000, compared to US$74,870,000 and US$2,361,000 in the last year respectively. The improved performance was mainly attributed to increased demand for the segment's luxury tour packages, especially to destinations in China and Europe.

Digital business

The Group continued to expand and create new digital products, and the latest offering was the production of video content with interesting storylines. The Group worked with professional writers to create unique scripts and storylines for its advertisers.

The operation in Malaysia benefited from the Group's convergence strategy in which advertisers were offered a combination of print, digital and ground events to reach out to their target audience. The results have been encouraging.

The Group has been achieving higher traffic across the websites and apps of *Sin Chew Daily* and *China Press* as well as continually gaining momentum on other digital platforms including its social media sites. *Sin Chew Daily* and *China Press* continued to draw the highest unique visitors and most page views among the Group's publications. In the last month of FY2018/2019, *Guang Ming Daily*'s website, guangming.com.my, saw its unique visitors grow more than 100%.

Furthermore, the Group's 4 newspapers and *Pocketimes* achieved an average growth of 100% in page views year-on-year supported by strong double digit growth in unique visitors.

Pocketimes recorded an annual growth of 162% in video viewing. In addition to content marketing, it also offers content collaboration that allows direct interaction between clients. Through its storytelling expertise, *Pocketimes* offers a holistic digital marketing solution.

During the current financial year, *Ming Pao's* main website, mingpao.com, as well as its major web properties including news.mingpao.com, ol.mingpao.com and mpfinance.com underwent layout and content enhancement as well as search engine optimisation in order to provide a better experience for their visitors and to drive more traffic and revenue. In addition, the related apps were upgraded so as to give readers a smoother and better reading experience and to increase the newspaper's penetration in the mobile market.

From the Google Analytics, the number of pageviews for mingpao.com experienced a 10% year-on-year growth from 307 million to 338 million during the period from October 2018 to March 2019; and increased from 150 million to 165 million for the period from January to March 2019.

In addition, according to Socialbakers' statistics in January 2019, the facebook page of mingpao.com ranked 27 out of the top 100 media pages in Hong Kong and was in the 3rd place among all Chinese language newspapers.

OUTLOOK

The Group expects the operating environment for the next financial year to remain challenging. The unsettling trade tension between China and the USA adds to the uncertainty of the global economy and may have an adverse impact on the Group's performance for the coming year.

Notwithstanding the challenges, the Group will continue to remain focused on growing its core businesses while seeking growth opportunities in new markets and channels.

For its publishing business, it will continue to work on improving its content to meet the demands of its readers and devising new advertising options for its advertisers. Furthermore, it will continue its efforts in driving cost efficiency whilst leveraging on technology to further develop and enhance its digital content and platform capabilities. A positive note is that the newsprint price is softening which will help reduce the Group's production costs.

For the travel segment, through its expertise and worldwide travel network, the Group will continue to develop and offer interesting and tailor-made tour packages that provide customers with exclusive travel experiences.

Major Awards of the Year — Hong Kong
(Ming Pao Daily News)

HONG KONG NEWS AWARDS 2018

— The Newspaper Society of Hong Kong

Winner

Best Scoop

Best Photograph (News)

Best Photograph (Features)

1st Runner-up

Best Scoop

Best Headline (Chinese)

Best Photograph (Sports)

Best News Reporting

2nd Runner-up

Best Scoop
Best News Reporting

Best Arts and Culture News Writing

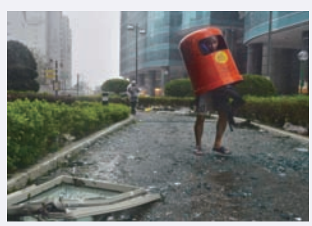
Merit

Best News Reporting

Best Business News Reporting

Best News Writing (Chinese)

Best Photograph (Features)



Major Awards of the Year — Hong Kong *(Ming Pao Daily News)*

THE 23RD HUMAN RIGHTS PRESS AWARDS 2019

— Hong Kong Journalists Association, The Foreign Correspondents' Club of Hong Kong and Amnesty International Hong Kong

Merit
Breaking News Writing (Chinese)

Winner
People's Choice Photo Award

THE 10TH ANNUAL KAM YIU-YU PRESS FREEDOM AWARDS

— Kam Yiu-Yu Foundation

Merit
Print & Online Media

THE 3RD BUSINESS JOURNALISM AWARDS OF THE HANG SENG UNIVERSITY OF HONG KONG

— The Hang Seng University of Hong Kong

Gold Award
Best Business News Reporting (Text)

Silver Award
Best Business & Finance Profile Interview (Text)

Major Awards of the Year — Malaysia (Sin Chew Group)

DATO' WONG KEE TAT JOURNALISM AWARDS 2017

— Editors' Association Chinese Medium Malaysia

Dato' Seri Joseph CHONG Chek Ah Distinguished Media Service Award
Sin Chew Daily: Datuk POOK Ah Lek

Tan Sri NG Teck Fong News Reporting Award
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Sin Chew Daily*

Tan Sri YAP Yong Seong Feature Writing Award
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Sin Chew Daily*, *Guang Ming Daily*

Tan Sri TEONG Teck Leng Commentary Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

Dato' TAN Leong Ming News Photography Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

Dato' WONG Kee Tat News Editing Award (Feature section)
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Sin Chew Daily*

Dato' WONG Kee Tat News Editing Award (News section)
Excellence Prize: *Sin Chew Daily*
2 Outstanding Prizes: *Guang Ming Daily*, *Sin Chew Daily*

Tan Sri LAW Tien Seng Front Page of the Year Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

Dato' P.C. KOH Business News Reporting Award
Outstanding Prize: *Sin Chew Daily*

Tan Sri KONG Hon Kong Sports Reporting Award
2 Outstanding Prizes: *Sin Chew Daily*

Tan Sri TAY Kin Yan Entertainment Reporting Awards
Excellence Prize: *Sin Chew Daily*

Tan Sri LEONG Hoy Kum Property Reporting Award
Excellence Prize: *Sin Chew Daily*
Outstanding Prize: *Sin Chew Daily*

KINABALU SHELL PRESS AWARDS 2018

— Sabah and the Federal Territory of Labuan

Feature Writing Award (Chinese)
Gold Award: *Sin Chew Daily*

Feature Writing Award (Correspondent category)
Gold Award: *Sin Chew Daily*
Excellence Prize: *Sin Chew Daily*

Environmental Reporting Award (Chinese)
Excellence Prize: *Sin Chew Daily*

Entertainment, Culture & Art Reporting Award (Chinese)
Gold Award: *Sin Chew Daily*
Excellence Prize: *Sin Chew Daily*

News Reporting Award (Chinese)
Gold Award: *Sin Chew Daily*

Business & Economic Reporting Award (Chinese)
Gold Award: *Sin Chew Daily*

Major Awards of the Year — Malaysia (Sin Chew Group)

JOHOR STATE MEDIA AWARDS 2018

— Johor State Government, Johor State Information Department and Johor Media Club

Best Tourism and Cultural News Coverage Reporting Award
Sin Chew Daily

Best Humanity Photography Award
Sin Chew Daily

Best Environmental Photography Award
Sin Chew Daily

SUKMA BEST REPORTING AWARD (PRINT MEDIA) 2018

— National Sports Council of Malaysia

Sin Chew Daily (Perak Edition) Team

KENYALANG JOURNALISM AWARDS 2018

— Shell Malaysia, Federation of Sarawak Journalists Association (FSJA) and Kuching Division Journalists Association (KDJA)

Chief Minister's Award (Chinese)
Sin Chew Daily

Special Articles Award
Silver: *Sin Chew Daily* Bronze: *Sin Chew Daily*

News Reporting Award
Gold: *Sin Chew Daily* Bronze: *Sin Chew Daily*

Sports Reporting Award
Gold: *Sin Chew Daily* Silver: *Sin Chew Daily*
Bronze: *Sin Chew Daily*

Petronas Continuous Competency News Award
Gold: *Sin Chew Daily* Silver: *Sin Chew Daily*

Business and Economic News Reporting
Gold: *Sin Chew Daily* Silver: *Sin Chew Daily*

Community Well-being and Rural Development Journalism Award
Gold: *Sin Chew Daily* Silver: *Sin Chew Daily*
Bronze: *Sin Chew Daily*

Digital Economic News Reporting Award
Silver: *Sin Chew Daily*

SINGAPORE PHOTO CIRCUIT 2017 "PHOTOVIVO SALON"

— PhotoVivo.com

Gold Medal: *Sin Chew Daily*

THE HUMANITY PHOTO AWARDS 2017

— China Folklore Photographic Association

Best Performance Award : *Sin Chew Daily*

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD MALAYSIA MEDIA AWARD PHOTOGRAPHY COMPETITION 2018

— Construction Industry Development Board of Malaysia

Winner : *Sin Chew Daily*

CHINA INTERNATIONAL PHOTOGRAPHY COMPETITION 2018

— China Photojournalists Society

Excellence Prize : *Sin Chew Daily*

TAICHUNG INTERNATIONAL PHOTOGRAPHY COMPETITION

— Taichung City Photographic Society

Silver Award : *Sin Chew Daily*

PAHANG DRB-HICOM MEDIA AWARDS 2018

— Pahang DRB-HICOM

News Reporting Award (Chinese category)
Second Prize : *Sin Chew Daily* **Third Prize :** *Sin Chew Daily*

Major Awards of the Year — Malaysia (Nanyang Group)

DATO' WONG KEE TAK JOURNALISM AWARDS 2017

— Editors' Association of Chinese Medium of Malaysia





Tan Sri LEONG Hoy Kum Property Reporting Award
Outstanding Prize: *Nanyang Siang Pau*

Tan Sri YAP Yong Seong Feature Writing Award
Outstanding Prize: *China Press*

Tan Sri TEONG Teck Leng Commentary Award
Outstanding Prize: *Nanyang Siang Pau*

Dato' WONG Kee Tat News Editing Award (Feature section)
2 Outstanding Prizes: *Nanyang Siang Pau*

Dato' P.C. KOH Business News Reporting Award
Excellence Prize: *China Press*
Outstanding Prize: *Nanyang Siang Pau*

Tan Sri LAW Tien Seng Front Page of the Year Award
4 Outstanding Prizes: *China Press*

Tan Sri TAN Kin Yan Entertainment Reporting Award
4 Outstanding Prizes: *Nanyang Siang Pau, China Press*

Tan Sri NG Teck Fong News Reporting Award
Outstanding Prize: *China Press*

Dato' WONG Kee Tat News Editing Award (News section)
2 Outstanding Prizes: *China Press*

Tan Sri KONG Hon Kong Sports News Reporting Award
Outstanding Prize: *China Press*

JOHOR STATE MEDIA AWARDS 2017

— Johor State Government, Johor State Information Department and Johor Media Club

Best Economic News Award
Nanyang Siang Pau

Best Feature Writing Award
Nanyang Siang Pau

Best Development News Award
Nanyang Siang Pau

Major Awards of the Year — Malaysia (Nanyang Group)

CONSTRUCTION INDUSTRY DEVELOPMENT BOARD MALAYSIA MEDIA AWARD PHOTOGRAPHY COMPETITION 2018

— Construction Industry Development Board of Malaysia

Photography category
1st Runner-up: *China Press*

MEDIA AWARDS OF THE MINISTRY OF HEALTH MALAYSIA 2018

— Ministry of Health Malaysia

Best Journalist Award (Chinese Newspaper category)
Winner: *China Press*

Blue Ribbon Campaign – Media Award
First Prize: *China Press*

MOBILE BUSINESS EXCELLENCE AWARDS 2018

— Malaysian Mobile Content Providers Association

MBEA Best Mobile Content Influencers
Gold Winner: *China Press*

PAHANG DRB-HICOM MEDIA AWARDS 2018

— Pahang DRB-HICOM

News Reporting Award (Chinese category)
First Prize: *Nanyang Siang Pau*

Pahang Best Reporter Award (Chinese category)
First Prize: *Nanyang Siang Pau*

MING PAO DAILY NEWS

— Nearly 800 guests from various sectors attended the *Ming Pao Daily News* 60th Anniversary Cocktail Reception.

Mrs Carrie LAM, Chief Executive of the HKSAR, Ms LU Xinning, Deputy Director of Beijings' Liaison Office in Hong Kong, Mr SONG Ru'an, Deputy Commissioner of the OCMFA together with the management of *Ming Pao Daily News* toasted on stage and celebrated *Ming Pao Daily News* entering into a new milestone.

(from left) Mr TIONG Kiew Chiong, MCIL Group CEO; Dato' Sri Dr TIONG Ik King, MCIL Chairman; Mrs Carrie LAM, Chief Executive of the HKSAR and Mr LEUNG Heung Nam, Chief Editor of *Ming Pao Daily News*

Colleagues attending the Cocktail Reception took a group photo. All were in high spirit.

(2nd from left) Mr YAP Wei Sin, Consul General of Malaysia (2nd from right) Ms FOO Teow Lee, Consul General of Singapore

Mr KAM Woon Ting, Director of Ming Pao Newspapers Ltd. (left) welcomed Mr Donald TSANG, former Chief Executive of the HKSAR.

Dr CHAN Woon Tong, Deputy Medical Superintendent of Hong Kong Sanatorium & Hospital celebrated the 60th birthday of *Ming Pao Daily News*.

(left) Mr Bernard Charnwut CHAN, Convenor of the Executive Council, chatted with *Ming Pao Daily News* colleagues.

Mr Andrew Richard HEYN, British Consul General to Hong Kong and Macau (left) met Mrs Regina IP LAU Suk Yee, Legislative Council member, at the Cocktail Reception.

(from left) Mr CHEUNG Kin Bor, former Chief Editor of *Ming Pao Daily News*; Mr LO Wing Hung, Chairman of *Bastille Post*; Ms TIONG Choon, MCIL Executive Director; Mr SIU Sai Wo, CEO of Sing Tao News Corporation Ltd.

Mr Kevin YEUNG Yun Hung, Secretary for Education (left) and Mr Ken TSOI Wing Sing, Chairman of the Board of Tung Wah Group of Hospitals posted at the front page of *Ming Pao Daily News*.

(from left) Mr LAM Pak Cheong, CEO of One Media Group; Mr Kenneth LAU, Chairman of New Territories Heung Yee Kuk; Mr Patrick NIP Tak Kuen, Secretary for Constitutional and Mainland Affairs; Mr Frank CHAN Fan, Secretary for Transport and Housing; Mr Andrew LEUNG Kwan Yuen, President of the Legislative Council; Dr Allan ZEMAN, Chairman of Commercial Letting Panel of West Kowloon

Ms Cally KWONG

Ms Nancy SIT

Mr Adam CHENG

Ms Louise LEE

Mr Wayne LAI

Ms Miriam YEUNG

Significant Events — Hong Kong

MING PAO MONTHLY

More than 30 writers and scholars coming from Asia and Europe attended the 4th "Mainland China, Hong Kong, Macau and Taiwan – World Chinese Literature Forum".

MING PAO PUBLICATIONS

Ming Pao Publications participated in the 2-day "Joyful Reading Carnival" organised by the Education Bureau. The Carnival aimed to encourage parent-child reading and create a fun-filled, enjoyable reading atmosphere.

YAZHOU ZHOUKAN

Yazhou Zhoukan organised the "Overseas Property Expo cum Investment Forum 2018" to provide up-to-date and rounded information on exclusive overseas properties to the attendants. Renowned property investment experts were present to share tips on making smart real estate investments.

CHARMING HOLIDAYS

Charming Holidays, as part of its CSR work, took part in the "A Day with Food Angel" program. The participating colleagues learned about issues on food waste, hunger and poverty as well as engaged in food preparation.

Significant Events — Malaysia (Sin Chew Group)

SIN CHEW DAILY

(from left) Mr TIONG Kiew Chiong, MCILGroup CEO; His Excellency Mr BAI Tian, Ambassador of China to Malaysia; Dato' Sri Dr TIONG Ik King, MCIL Chairman; Tan Sri PHENG Yin Huah, President of the Federation of Chinese Associations Malaysia and Ms TIONG Choon, MCIL Executive Director presented the five Chinese calligraphy art "Peace, Prosperity, Fortune, Wealth and Developed" at the Chinese New Year Luncheon Celebration.

Mr TIONG Kiew Chiong, MCIL Group CEO presented the souvenir to the panel advisors and judges of the "Sin Chew Education Awards 2018".

Dato' Sri Dr TIONG Ik King, MCIL Chairman leading the senior management to officiate the 90th Anniversary Ceremony of *Sin Chew Daily* by touching the crystal ball.

Cake-cutting ceremony led by Ms TIONG Choon, MCIL Executive Director to mark the 30th Anniversary of *Sin Chew Daily* resumed publication. Meaningful theme "Never Forget Your Original Aspiration" was printed on the cake.

In November 2018, the 3rd Hua Zhong Literature Youth Camp titled "Myself & The Writer is Me" was held at New Era University College, Kajang, Selangor. It attracted total 180 students who love literature from nationwide to participate the camp.

The "Malaysia Health & Wellness Brand Awards 2018" was organised by *Sin Chew Daily* (Healthcare division) and Life Magazines. A group photo was posted with all award-winning companies' representatives and VIP guests.

The "Sin Chew Business Excellence Awards 2018" presentation night was successfully held. Approximately one thousand attendees gathered together to witness the revealing of the 12 categories winning individuals and companies.

YAYASAN SIN CHEW

Yayasan Sin Chew and Fo Guang Shan jointly organised the scholarship presentation on the Wesak Day 2018. A total of RM150,000 scholarships was awarded to the needy students.

GUANG MING DAILY

The theme of the 31st *Guang Ming Daily* Annual Dinner was "The Lost Time". Top 10 best dress winners took a photo on stage.

Significant Events — Malaysia (Nanyang Group)

NANYANG SIANG PAU




Nanyang Siang Pau celebrated its 95th Anniversary in 2018. A total of 7 gala dinners were held across nationwide to share this joyful celebration together with the Chinese community to move towards the new era. On 6th September, YB Teresa KOK, Minister of Primary Industries jointly officiated the final gala dinner in Kuala Lumpur. "Nanyang Superb Brand Award" was presented to the entrepreneur winners on the same evening.

"Golden Eagle Award" of *Nanyang Siang Pau* picked the theme "Conquering Smart Frontiers". In the wake of digital business age, AI becomes the most effective tech-decision makers. YB Datuk Seri Saifuddin Nasution Bin ISMAIL, Minister of Domestic Trade and Consumer Affairs presented awards to 136 winners.

YAYASAN NANYANG PRESS

Yayasan Nanyang Press "Dream House For The Hidden Star" specially provided free training for poor families' children with special needs to develop their talents. They performed during the Graduation Ceremony and were invited to perform in other occasions, such as the "My Secret Kingdom Hidden Star Mini Musical Concert" co-organised by Astro.

CHINA PRESS

In 2018, *China Press* and the Malacca Youth Club Nian-Shao-Qing jointly organised "The 17th Sa-Zhong Writing Camp". It was the 17th annual school event with overwhelming participation of students to learn writing skills through interactive games, dance and singing activities.

Being the most popular Chinese newspaper in the east coast region, *China Press* moved forward to embrace digital transformation trend. On 10 October 2018, it launched its regional news website " East Coast People" .

The "Lady Pink Biz Section" of *China Press* launched its first "PinkBiz Book " in 2018, to record the remarkable successful stories of 21 Malaysian female entrepreneurs. Two popular speakers were invited to give business talk on the same event.

LIFE MAGAZINES

In celebration of *Feminine*'s 40th Anniversary, "Feminine Recognition Awards 2018" was organised to present awards to 70 winners.

In celebration of its 15th Anniversary, *New Icon for Him* organised the "Hottest Hunks Malaysia 2018/19" contest. It attracted many young stylish guys to take part to grab the winner title.

Citta Bella organised its 5th "Better Together" 2D1N camp. Readers took part in beauty workshops and attended the gala dinner with local celebrities.

BOARD STATEMENT

The Board is committed to creating a sustainable business model that will bring long term value to the shareholders of the Company.

In 2017, the Group adopted its sustainability policy. The policy covers sustainability measures for the Environmental, Economic, Social and Governance ("EESG") practices. The Board will continue to drive measures to integrate EESG in its operations with the aim to improve financial performance and governance of the Company, deliver credible and good quality content, services and products; and ensure the welfare of its employees.

SUSTAINABILITY POLICY

The Group's vision for sustainability is to produce high-quality and credible content, services and products with minimum environmental impact, while at the same time delivering value to stakeholders of the Group. Sustainability measures will be implemented in 4 areas, namely environmental, economic, social and governance.

Using its risk register as a reference, the Group's EESG approach will focus on the following areas:

- managing EESG risks in business activities
- implementing environment management in its production process
- ensuring product quality
- emphasising on the welfare of the Group's employees

GOVERNANCE

The Group's sustainability matters are governed in the following manner:

	Role and Responsibility
Board of Directors	To set the strategy and direction for sustainability management.
Group Executive Committee	To manage and monitor sustainability performance and targets, and implement improvement processes.
Senior Management in Relevant Departments	To initiate, drive and monitor the sustainability practices in their respective departments.

ABOUT THIS REPORT AND SCOPE

This report is for the financial year 2018/19. All data and activities reported are in relation to the Group's business operations from 1 April 2018 to 31 March 2019. This report is produced in accordance with Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group is also guided by the core principles of the Global Reporting Initiative ("GRI") Sustainability Reporting Guidelines. The Company has used as guidance the sections in the GRI Standards which are relevant to energy, emission, employment, training and education, and diversity. There is no external assurance for this report.

This sustainability report covers the Group's printing and publishing and travel operations in Malaysia and Hong Kong as these operations represent the core business of the Group and account for over 80% of its turnover for the financial year ended 31 March 2019.

STAKEHOLDERS ENGAGEMENT

As a trusted organisation having publications over 90 years, the Group has been communicating and reaching out to its stakeholders either formally or informally to build and strengthen its relationship with its stakeholders. Through these engagements, the Group hopes to understand their concerns on sustainability development, balancing their views and managing their expectations so as to ensure the long term and continuing success of the Group.

The Group engages and communicates with its stakeholders in its daily operations through various channels. The stakeholders and engagement methods are listed below:

Stakeholders	Basis of Engagement	Methods of Engagement
Customers	• Understand and/or meet customer needs • Provide credible and high quality content, products and services	• Meetings • Social media and websites • Events held for readers and advertisers • Customer satisfaction surveys • Networking lunches/dinners • Awards
Community	• Contribute towards the well-being of the communities in which the Group operates	• Social media • Community events • Financial and non-financial contributions/ sponsorships
Shareholders	• Provide opportunities for shareholders to engage with management • Allow shareholders to gain a better understanding of the Group's strategy, business and operations	• Annual general meeting • Announcements to Bursa Malaysia Securities Berhad and The Stock Exchange of Hong Kong Limited • Interim/Annual reports • Circulars and press releases • Corporate website • Analyst briefings
Industry peers	• Share ideas to understand each other's perspective and to improve the industry	• Industry associations
Regulators	• Comply with regulatory requirements	• Regular communication for updates
Suppliers and business partners	• Achieve cost efficiency • Meet or exceed quality standards	• Product presentations • Meetings
Employees	• Understand and align with the Company's goals, strategy and update on corporate developments • For greater employees' satisfaction, retention, productivity and work life balance	• Corporate events • Internal communications • Company lunches/dinners and gatherings • Trainings • Occupation Safety and Health Committee • Social activities

MATERIAL SUSTAINABILITY MATTERS

The Group has engaged its external stakeholders in identifying the Group's key EESG matters. The Group will select sustainability matters which have a material impact on the performance and sustainability of the Group.

Internal stakeholders have also been invited to continuously review their daily activities and processes in order to identify such material sustainability matters. Feedback from the internal stakeholders was checked against the following to determine materiality:

- risk aspects by reviewing the Group's risk registers;
- impact on the Group's business, operations and reputation;
- impact on the Group's financial aspect.

By applying the above methodology, the Group identified and prioritised the sustainability matters that were considered most material to the Group's business operations and its stakeholders and arrived at the list below:

Sustainability Areas	**Material Sustainability Topics**	**Corresponding GRI Framework Disclosure**
Environmental	• Energy	GRI 302
	• Water and Effluents	GRI 303
	• Effluents and Waste	GRI 306
	• Emissions	GRI 305
	• Materials	GRI 301
Economic	• Procurement Practices	Non-GRI*
	• Product Responsibility	Non-GRI*
Social	• Diversity and Equal Opportunity	GRI 405
	• Training and Education	GRI 404
	• Health and Safety	Non-GRI*
	• Contribution to Community	Non-GRI*
Governance	• Governance Structure	Non-GRI*
	• Corporate Governance	Non-GRI*
	• Business Ethics	Non-GRI*

* The Group has not referred to the relevant GRI Standards as guidance for benchmarking purpose.

Sustainability Report

SUSTAINABILITY AREAS

ENVIRONMENTAL

The Group has an Environmental Policy which aims to reduce the environmental impact of its business operations through conservation of energy, and reduction of greenhouse gas emissions and waste. The environmental management strategy of the Group focuses on management of resources in its business operations and ensures that all aspects of its operations conform to sound environmental practices.

The environmental aspect includes the use of resources such as electricity and water; consumption of materials such as paper, plates, ink and other chemicals; and waste management which includes the disposal of hazardous and non-hazardous waste and greenhouse gas emissions.

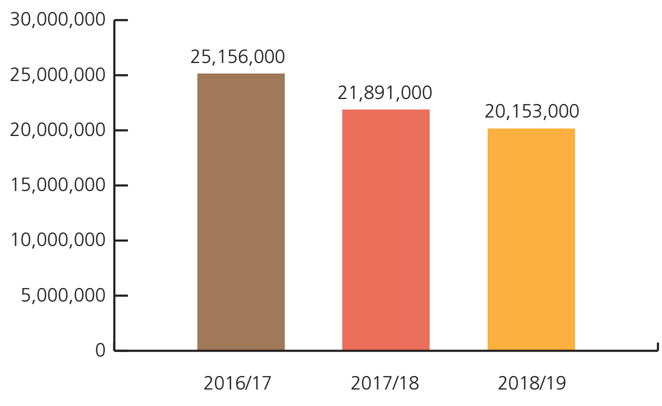
(I) Energy

Most of the Group's electricity consumption comes from the production process in its printing plants. This is followed by electricity usage in its offices. The Group purchases electricity from energy service providers in Malaysia and Hong Kong. Being well aware that improving electricity usage efficiency is essential for reducing electricity consumption at its printing plants and offices, the Group has implemented measures to achieve the same.

Some of these initiatives include conducting energy-saving campaigns at its offices and printing plants where employees are reminded to switch off the lights and equipments when not in use. The production process is constantly reviewed in order to minimise the printing slots. The Group will continue to explore the possibility of further rationalisation to reduce the number of printing plants. These measures help the Group maintain acceptable electricity usage levels.

For the financial year ended 31 March 2019, the Group's electricity consumption was reduced by 7.9% year-on-year to approximately 20,153,000 kWh, mainly driven by the rationalisation of plants and efforts to conserve energy.

Electricity consumption (kWh) in Malaysia and Hong Kong for the last 3 financial years

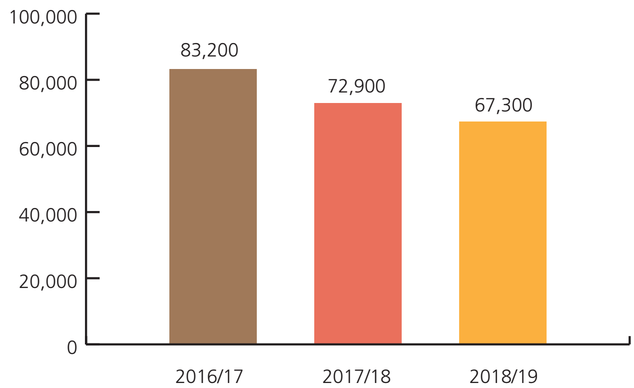


(II) Water

The Group's water usage is predominantly for its printing plant production process. This is then followed by office usage. The Group strives to reduce its usage of this key resource to save costs and reduce its environmental impact. To this end, some plants in Malaysia have installed facilities to harvest and store rainwater for cleaning purpose.

The Group's water usage for the financial year ended 31 March 2019 was approximately 67,300 m^3, 7.7% down from the previous year. Similar to electricity, the usage of water has also been on a reducing trend, mainly due to savings from the production process.

Water usage (m^3) in Malaysia and Hong Kong in the past 3 financial years



(III) Effluents and Waste

The Group places importance on ensuring that its waste materials are disposed of in a responsible manner. Wastes that are recyclable are sold to recycling companies whilst hazardous waste are disposed of by licensed contractors.

(i) Solid waste

The Group recycles its solid waste as much as possible. Waste materials such as used newsprint and plates are disposed of for recycling purposes. The newsprint wastage for the financial year under review amounted to approximately 2,508,000 kg.

(ii) Hazardous/scheduled waste

Hazardous or scheduled waste generated from the Group's printing operations includes items such as contaminated rags, waste ink, and chemical waste. In Malaysia, this hazardous or scheduled waste is required to be collected and disposed of by licensed contractors of the Department of Environment. Similar regulations are enforced by the Hong Kong Environmental Protection Department. To ensure the compliance with relevant regulations, all chemical wastes generated from production plants are collected and disposed of by licensed collectors. The scheduled waste are also stored in separate holding areas.

(iii) Effluents treatment

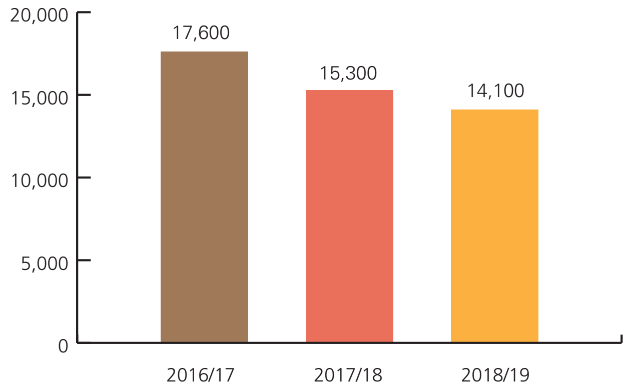
The Group has installed wastewater treatment facilities at some of its printing plants to treat certain chemical waste before it is released back into the environment. Sampling and monitoring of the discharge are performed periodically to ensure that it is safe to be discharged into the drainage system.

(IV) Emissions

The Group is committed to reducing greenhouse gas emissions and minimising the environmental impact of its operations.

The Group has chosen its approach to report utility data from operations under its direct control in Malaysia and Hong Kong. Scope 2 (Electricity) is reported on below.

CO_2 emission (tonnes) in Malaysia and Hong Kong in the last 3 financial years



The Group uses the emission factor based on the 2007 report by Pusat Tenaga Malaysia titled "Study on grid connected electricity baselines" in Malaysia and "Emission Factor Electricity" supplied by Hong Kong Electric to identify its greenhouse gas emissions from purchased electricity.

The Group's CO_2 emission from purchased electricity reduced by 7.9% in 2018/19 to approximately 14,100 tonnes from approximately 15,300 tonnes in 2017/18.

The Group does not report emissions from Scope 3, as it does not own a vehicle fleet. Products transportation has been outsourced.

(V) Materials

In order to reduce production costs, the Group places importance on materials management. The Group's production team constantly reviews the manner in which the materials are used and explore new technologies to further reduce their usage. In addition, the Group meticulously measures material consumption at its printing plants to ensure that all materials are used effectively and efficiently.

(i) Paper

Newsprint cost is one of the Group's main expenses. Hence, the Group monitors the use of newsprint prudently. Most of the Group's newsprint is made of environmentally friendly recycled paper. The Group has moved to use 27" newsprint web width to achieve higher efficiency. In addition, printing machines are constantly kept in good condition to prevent multiple starts and stops as these increase start-up waste. The Group also seeks to reduce press run wastage by setting key performance indicators to monitor paper waste continuously.

For the financial year ended 31 March 2019, the newsprint yield (calculated as number of printed pages per kilogram of newsprint) achieved by the Group was 226.

(ii) Plates

The Group seeks to minimise the usage of plates. Its initiatives include reminding its editorial teams to avoid mistakes, thus reducing the number of plate changes. In addition, the Group also ensures that its plates are stored in the proper environment to avoid deterioration of quality and ensure optimum performance.

(iii) Ink

The Group uses environmentally friendly ink in its printing plants. It also installs ink optimisation software to achieve optimum colour with the minimal use of ink.

OBJECTIVES FOR ENVIRONMENTAL SUSTAINABILITY	PROGRESS
• Reduce usage of electricity and water	The usage of water and electricity has been reduced since the financial year ended 31 March 2017.
• Reduce wastage of materials such as newsprint	The Group is working on reducing the usage of newsprint.

ECONOMIC

The Group is a firm believer of ethical business practices thus it strives to deliver good quality content and adopt sound supply chain practices. Such practices are advocated as it ultimately results in a long-term, mutually beneficial relationship between the Group and its suppliers.

(I) Procurement Practices

The Group has in place a procurement policy and sound procurement practices. This ensures impartiality and objectivity in selecting and appointing suppliers for its operations. A sound procurement practice can improve the Group's financial performance as it may lead to savings by getting more competitive prices and better quality goods and services.

The Group has in place criteria for selection of suppliers and this is followed by an evaluation process. Suppliers are also reviewed annually to ensure that quality is maintained, and that prices paid for the goods and services provided remain competitive.

Our Group prioritises local suppliers when acquiring raw materials for our procurement activities. Where procurement from overseas suppliers is required, it will be based on the suppliers' availability and capability.

(II) Product Responsibility

The Group is committed to engaging its readers and endeavours to provide broad coverage of accurate and bias-free news. Editorial policies exist to ensure responsible journalism. Its online content is trustworthy, up-to-date and accessible at all times. The Group's editorial teams, managed by the editor-in-chief of each publication, review their own publications to ensure accuracy of the information contained. In the rare events that any information published is inaccurate, the Group will correct the misinformation in the next available publication.

The Group, through its engagement with the communities, strives to deliver content that is not only relevant but also beneficial to its readers. For example, *Sin Chew Daily* will introduce the new editorial column, namely 'Young and promising page' to support the young and creative entrepreneurs by connecting them with potential investors thus stimulating the local economy and creating more business opportunities.

The Group adheres to the Guidelines issued by Malaysia's Association of Accredited Advertising Agents and Hong Kong's Trade Descriptions Ordinance. It is committed to ensuring the proper marketing of its products and that customers are treated fairly. It ensures that all advertisements and marketing materials published in the Group's publications meet legal and regulatory requirements, are appropriate for the target audience and accurately and fairly describe the products marketed. The Group also has customer management processes in place to ensure that consumer complaints are handled in an appropriate and timely manner.

The Group ensures that employees are aware of the need to protect its customers' privacy under Malaysia's Personal Data Protection Act 2010 and Hong Kong's Personal Data (Privacy) Ordinance. It also uses security procedures and technology to protect the information held and prevent unauthorised access, unlawful disclosure and misuse of personal information within the Group.

The Group respects and protects intellectual property rights. It only uses licensed software, and employees are constantly reminded of not installing unauthorised software on office equipment such as desktop computers and laptops.

OBJECTIVES FOR ECONOMIC SUSTAINABILITY	PROGRESS
• To implement a robust procurement system	The Group has adopted a procurement policy that sets out the selection and evaluation criteria for suppliers.
• To deliver content that is true and accurate	The Group has implemented editorial policies and workflow processes to ensure that there are checks in place.

SOCIAL

People is one of the cornerstone of the Group. The Group believes in providing its employees a good working environment that will lead to long term retention of its employees. The Group also believes in contributing back to the community it operates in.

(I) Employees

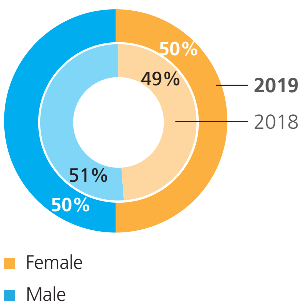
(i) Diversity and Equal Opportunity

The Group recognises the importance of working diversity, particularly for the media industry, because it promotes innovation and sustainability which are important for responding to the evolving needs of customers and markets.

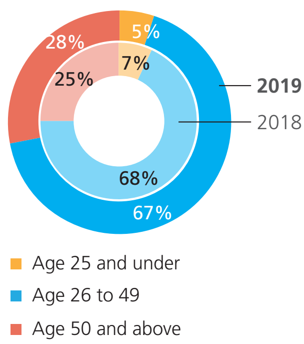
Employees with a wide range of experiences, skills, and perspectives are critical and important to the sustainability of the Group. The Group believes in recruitment without discrimination. It emphasises the importance of fair treatment of employees, irrespective of gender, race or other diversity aspects. The Group ensures its human resource practices are in compliance with labour laws in Malaysia and Hong Kong.

The number of employees in Malaysia and Hong Kong for the financial years ended 31 March 2019 and 2018 are 3,327 and 3,652 respectively. The diversity of employees in Malaysia and Hong Kong by gender, age and position is presented below:

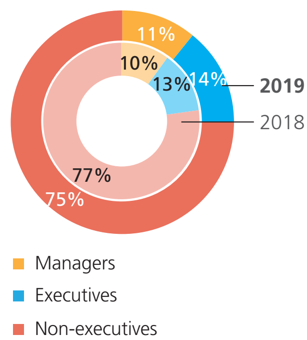
Employee diversity by gender



Employee diversity by age



Employee diversity by position



(ii) Employee Engagement

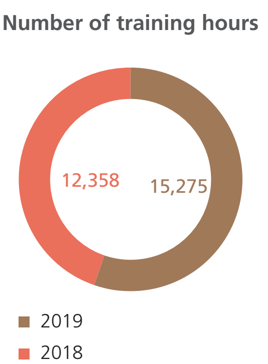
The Group believes in promoting good relationships with its employees and fosters employee engagement and dialogue. The Group organises events such as annual dinner, Chinese New Year and Christmas festival celebrations, as well as department dinners. These events enable employees to interact with each other. Long-service employees are given awards as an appreciation for their loyalty to the Group.

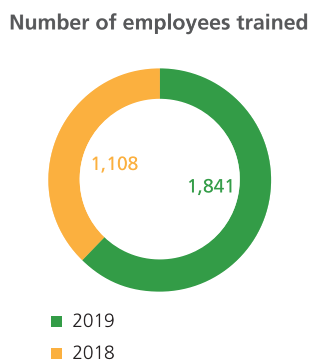
(iii) Training and Education

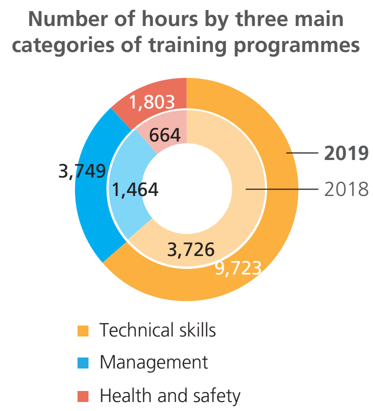
The Group has adopted a policy on "Employee Training and Development" to improve its employees' skills and performance. The Group believes that employees' training and development are important in enhancing efficiency and productivity.

The Group provides employees with internal and external training and development programmes to enable them to learn new knowledge and technical skills to cope with the technological changes and development strategies of the Group.

Employees of the Group will be evaluated in accordance with their ability to meet the Group's key performance targets. The training hours, number of employees trained and training by category for the financial years ended 31 March 2019 and 2018 are presented below:







(iv) Health and Safety

Health and safety in the workplace is an important part of the Group. The Group is committed to applying effective procedures and practices to achieve an injury and illness-free workplace. The Group employs comprehensive and continuously reviewed safe work practices to ensure that high safety standards are maintained in all of its business operations.

In Malaysia, an Occupational Safety and Health Committee ("OSHC") was established to help identify hazards and trends and facilitate the dissemination of information in order to address any concerns raised. The OSHC trains and reminds the employees to follow procedures for health and safety. A training session on "Essentials of OSH at the Workplace" was also organised to equip employees with OSH knowledge and skills that may influence the safety and health conditions at work. The OSHC also monitors and meets regularly to review current practices and implements proposals to improve the working environment for the employees.

A safety review is conducted annually in Hong Kong to assess the effectiveness and improvement of the Safety Management System in its printing plant in accordance with Hong Kong's Factories and Industrial Undertakings (Safety Management) Regulation. A safety review report, including a safety improvement plan, will be prepared and submitted to the Labour Department of Hong Kong for review.

During the current financial year, there were some workplace injuries at the printing plants; they were all non-fatal and resulted in minimal productivity interference. In order to avoid future recurrence of similar events, these accidents were investigated and reported to the relevant authorities, if necessary. In the coming years, the Group will endeavour to reduce workplace accidents and uphold stringent safety standards. The number of workplace accidents during the financial years ended 31 March 2019 and 2018 were 17 and 24 respectively.

(v) Work life balance

Most employees are now seeking work-life balance, an important factor in recruitment and retention. The Group therefore strives to provide an environment in which its employees can strike a work-life balance. Some initiatives include the implementation of a 5-day and 5.5-day working week despite the 7-day operation of the newspapers and inclusion of sports and fitness activities within and outside of the workplace to promote healthier living. In Malaysia, on-going in-house talks and activities on various topics have been organised for the employees, including "You Are What You Eat and Do" and "Health & Wellness for Better Productivity".

The Group's sports club organises badminton, ping-pong and bowling competitions. The Group also subsidises yoga and aerobics classes to improve the employees' health and well-being.

(vi) Child and forced labour policies

The Group has a policy of not recruiting any minor or forced labour. The Group does not use any kind of child labour or forced labour.

(vii) Code of Ethics and Conduct

The Group has a Code of Ethics and Conduct that obliges its directors and employees to behave ethically and maintain high level of professionalism and exemplary corporate conduct. The Code of Ethics and Conduct states that directors and employees should avoid involving themselves in situations where there is a real or apparent conflict of interest between them as individuals and the Group's interests.

Directors and employees must exercise caution and due care to safeguard any confidential and sensitive information relating to the Group that may have come to their knowledge during their employment. They are also reminded of prohibitions against using inside information for securities trading.

The Group's whistle-blowing policy applies to its directors and employees. Directors may refer or address their concerns to the Board's Chairman or the Group Chief Executive Officer, and employees may address their concerns to their immediate superior, department head, the Group Chief Executive Officer or the Audit Committee's Chairman. No individual will suffer any act of retaliation or be discriminated against for reporting in good faith on violations or suspected violations.

To date, there have been no legal cases concerning corrupt practices concluded against the Group or any of its directors or employees.

The Group also has an anti-sexual harassment policy in place to protect employees against sexual harassment. Any concerns about sexual harassment may be reported to the individual's immediate superior or to the Human Resources Department and will be treated in the utmost confidentiality.

(II) Contribution to Community

The Group's newspapers are integral to the lives of their readers and are an important part of their local communities. The Group recognises that its operations can have considerable impact on society and local communities. Hence, the Group engages the communities through outreach programmes, corporate sponsorships and donations, as part of its corporate social responsibility efforts.

In addition, the Group uses the power and reach of its newspapers to support cause-driven organisations, helping to raise awareness of their activities, seeking increased community support and funding. In this regard, the Group has been supporting charities through donation appeals to readers or through editorial content, providing information on the aims and activities of various charities.

(i) Nurturing talent and knowledge-building among students

The Group advocates the importance of education in building an intellectual society as well as eradicating poverty. To this end, it has been actively involved in various educational activities.

In 1984, *Sin Chew Daily* formed its cadet reporter team, and in 1997 *Ming Pao Daily News* established the "Ming Pao Student Reporter Scheme". Students are recruited as cadet reporters and are trained to develop fundamental journalism and media skills to expand their horizons and stimulate independent thinking and analytical skills. Those students are also given the opportunities to conduct interviews on personalities from various backgrounds and write articles for newspapers' student publications.

To promote literacy of the Chinese language, *China Press* has organised the "SaZhong Writing Camp" to inspire students through interactive games, dynamic dance and singing, whilst *Ming Pao Daily News* has organised the "Young Writer's Training Program". Both programmes are designed to foster interest in writing among students.

(ii) Education

As part of its social responsibility to promote an educated society, the Group has contributed in many ways to educate the young by giving them various educational opportunities from early childhood education to university studies.

This has been done through the Group's various educational programs including its education publications, supplements, articles, fund raising events for schools and providing scholarship for the needy.

Yayasan Nanyang Press through its "Dream House for the Hidden Stars" program offers free learning opportunities for at least 150 students with learning disabilities each year. It also sponsored 187 school teachers around Malaysia to attend the Conference on Counselling for School Teachers of Malaysia to improve their counselling skills.

The Group is deeply invested in students' learning and promotes reading habits in the community and to increase their understanding of current issues. *Sin Chew Daily*, *China Press* and *Nanyang Siang Pau*, through the Newspaper in Education (NIE) programme which runs a number of curriculum-based initiatives, provide teachers with educational materials for Chinese primary school students.

Yayasan Nanyang Press has donated RM400,000 to repair school buildings and upgrade school facilities.

Sin Chew Daily and *Nanyang Siang Pau* had tied up with higher education institutions to grant full scholarships to talented but underprivileged students to pursue tertiary education in private higher education institutions. These scholarships offer underprivileged students much-needed assistance by upgrading their educational qualifications.

China Press and *Nanyang Siang Pau* co-organised the 32nd anniversary of Top Ten Charity Campaign sponsored by Carlsberg Malaysia to support Malaysia's Chinese culture and education. By February 2018, the total amount of fundraising collected over the years exceeded RM500 million.

In addition, *Sin Chew Daily* through partnerships with sponsors such as Tiger, Econsave and Hai-o has organised fundraising campaigns for schools to upgrade their facilities.

(iii) Humanitarian assistance

The Group has set up several charitable foundations to assist underprivileged and communities in places which the Group operates. At the forefront of these activities in Malaysia are *Yayasan Sin Chew* and *Yayasan Nanyang Press*.

Yayasan Nanyang Press, through its 16 Navigators Home Rebuilding Program, has rebuilt homes for the poor, encouraged the participation of volunteers of all ages, and provided medical and dental services to residents in remote areas. More than 150,000 people benefited from this program. *Yayasan Nanyang Press* also donated funds to repair the Mantub Bailey Bridge at Ranau, Sabah which had been damaged by flood.

Yayasan Sin Chew has donated RM3 million to handicapped and disabled homes throughout Malaysia, sponsoring 200 wheelchairs to 42 NGOs. It also organised Chinese New Year lunches with old folks, visited elderly homes, orphanages and underprivileged centres as well as distributed moon-cakes during the mid-autumn festival.

(iv) Medical assistance and mental health awareness and support

The Group is aware that the cost of medical treatment has been increasing and is beyond the reach of certain segments of society. With this in mind, the Group through *Yayasan Nanyang Press* provides sponsorship to 4 dialysis centres throughout Malaysia to subsidise their costs in treating their patients.

The Group redirects readers' donations to those who have medical needs but do not have sufficient means to seek medical help. *Yayasan Nanyang Press* has collected approximately RM10.4 million in medical aid, which benefited 206 patients.

Guang Ming Daily continues to provide medical services and shares health tips and information with the public through "Guang Ming Wellness Tour". This aims to enhance physical wellness and create a greater awareness of healthier lifestyle in the community.

In conjunction with 'Sin Chew Healthcare column', doctors are invited to share their valuable advice on topics such as psoriasis, diabetes, painkillers and kidney, heart attack prevention while generously answer questions posted by Sin Chew's readers. Moreover, meaningful short seminars were held for its readers, including 'healed from cancer', 'courage to face old age' and many more.

In Hong Kong, *Ming Pao Daily News* has, together with Hong Kong Sanatorium & Hospital, organised a series of free health seminars for the general community to increase people's health awareness and offer useful tips for improving their health, including seminars on knee arthritis and low back pain, lupus erythematosus, colorectal cancer, and cognitive disorders and Parkinson's disease.

(III) Readers and Advertisers

The Group recognises the importance of staying connected to its readers and advertisers and understanding their preferences and views. Social media platforms such as Facebook, Twitter and YouTube are used to connect and publish content of interest to readers. The Group also reaches out through surveys, advertisements, hotline numbers and emails.

The Group also welcomes visitors to its printing plants. In 2018, *Sin Chew Daily*, *China Press* and *Ming Pao Daily News* received visits from schools to their printing plants to provide students with an overview of their newspaper operations. These visits serve as brand loyalty platform among the students who form the next generation of readers for the Group's publications.

In partnership with various business and education institutions, the Group has also organised various events to generate advertising revenue, including Sin Chew Trade Fairs and Sin Chew Education Fairs at several locations in Malaysia.

In 2018, *Guang Ming Daily* hosted several charity concerts and singing competitions. One of its many successful events was the Singing Competitions for One Hope Charity, which raised over RM 1 million to set up a service centre at Bukit Mertajam. It also hosted the Parent Day Dinner and sponsored the PCCC Charity Golf Tournament 2019 to engage and interact with readers and advertisers.

In 2018, *Nanyang Siang Pau* celebrated its 95th Anniversary with several events and dinners which were attended by its readers and advertisers.

China Press and YYC Advisors jointly conducted a series of budget seminars — "Bringing your business to newer heights in 2019" covering a broad variety of topics including economic outlooks, national budget, taxation and business opportunities. More than 550 corporate representatives and executives from different industries attended the seminars.

In Hong Kong, *Ming Pao Daily News* held a series of seminars — overseas property seminars, education and career expo. Ming Pao Education Expo, JUMP Education and Career Day were attended by more than 3,000 participants.

In addition to its annual "Sin Chew Business Excellence Awards" which gives recognition to enterprises that have achieved utmost excellence in all key business management disciplines, *Sin Chew Daily* and *Life Magazines* have launched a new "Malaysia Health and Wellness Brand Awards" to give recognition to the industry's top health brands. At the same time, *Nanyang Siang Pau's* "Golden Eagle Awards" is one of the most prestigious and reputable annual business awards recognised by the business community.

For the first time in 2018, Sin Chew introduced the "Sin Chew Education Awards" to recognise the immense contribution of educational institutions that open up education opportunities in Malaysia for both Malaysian and international students as a one stop education hub.

(IV) Investors and Shareholders

The Company engages its investors/shareholders through press releases and corporate announcements of its financial results quarterly, half-yearly and annually. It also engages its shareholders at annual general meetings.

The Company has a shareholders' communication policy. The details of shareholders' rights are set out in the Corporate Governance Overview Statement in this Annual Report on pages 45 to 66. The Group's website also provides detailed information on procedures for shareholders to propose a person to be elected as a director.

OBJECTIVES FOR SOCIAL SUSTAINABILITY	PROGRESS
• To create a diversified and skilled workforce	Upskilling its employees to meet the technology advancements in the industry.
• To continue to engage its stakeholders	Providing opportunities for its readers, advertisers and investors to connect with its publications.

GOVERNANCE

The Group is committed to implementing practices that support sustainable economic growth through strong governance and accountability.

Further details on the Group's corporate governance are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control on page 45 and page 68 of this Annual Report respectively.

INTRODUCTION

In building a sustainable business, the Board of Directors (the "Board") is committed to practicing high standards of corporate governance throughout the Group.

The Company has adopted all the code provisions in the Corporate Governance Code (the "Hong Kong Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules") as its own code on corporate governance practices. During the year under review, all the code provisions as set out in the Hong Kong Code have been complied with.

Pursuant to Paragraph 15.25 of the Main Market Listing Requirements (the "Bursa Securities Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is also guided by the Malaysian Code on Corporate Governance 2017 (the "Malaysian Code") which is based on the following three key principles of good corporate governance:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and meaningful relationship with stakeholders.

This statement seeks to present an overview of how these key principles are applied. Details of the application of the principles of the Hong Kong Code and the Malaysian Code are set out in the Corporate Governance Report which can be accessed on the Company's website: www.mediachinesegroup.com.

CONDUCT ON SHARE DEALINGS

The Company has adopted the requirements and code as set out in (i) Chapter 14 (Dealings in Listed Securities) of the Bursa Securities Listing Requirements ("Chapter 14 of the Bursa Securities Listing Requirements") and (ii) the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules as its own code for securities transactions by directors of the Company. Following specific enquiry by the Company, all directors of the Company have confirmed their compliance with the required standards as set out in (i) Chapter 14 of the Bursa Securities Listing Requirements and (ii) the Model Code during the year.

The Company has also established written guidelines regarding securities transactions on no less exacting terms than the Model Code for senior management and specific individuals who may have access to inside information in relation to the securities of the Company.

Corporate Governance
Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

Board — strategy and supervisory

The Company is led by an experienced, competent and diversified Board. The directors collectively have wide and varied technical, financial and commercial experience which facilitates effective discharge of the Board's statutory and fiduciary duties and responsibilities.

The principal responsibilities of the Board include reviewing and adopting strategic plans for the Group, directing future expansion, overseeing the conduct of business, reviewing the adequacy and the integrity of internal control systems, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, establishing a succession plan, and developing and implementing a shareholders' communication programme for the Group.

The duties of the Board also cover reviewing and developing the Company's policies and practices on good corporate governance; reviewing and monitoring the training and continuous professional development of directors and senior management; reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors; and reviewing the Company's compliance with the Hong Kong Code and the Malaysian Code and disclosures in this Corporate Governance Overview Statement.

The Board delegates specific powers to its Board committees, all of which operate within defined terms of reference as set out in the Board Charter. The Board committees include the Group Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee. Members of the Group Executive Committee are invited to brief the Board on a quarterly basis. Monthly reports on the Group's business and financial performance are circulated to the directors for review and comments.

At the quarterly Board meetings, the Board deliberated and reviewed a variety of matters including the Group's financial performance, business development, corporate strategies and risk management. The Board also reviewed the succession planning, governance policies and practices including the adoption of the Dividend Policy and the Nomination Policy in November 2018, and approved the Group's business plan and financial budget for the financial year ending 31 March 2020 in February 2019.

The attendance of the directors at the board meetings is set out on page 48 of this Annual Report.

CHAIRMAN OF THE BOARD

The positions of Chairman and Group Chief Executive Officer ("GCEO") are held by two different individuals and each has a clearly accepted division of responsibilities.

The Chairman is responsible for leading the Board in discharging its duties effectively, and enhancing the Group's standards of corporate governance. He promotes an open environment for debate, and ensures that all directors are able to speak freely and contribute effectively at Board meetings. The Chairman also provides clear leadership to the Board with respect to the Group's long-term growth and strategy. On 25 February 2019, the Chairman held a private meeting with the independent non-executive directors without the presence of the executive directors and senior management.

The GCEO is primarily responsible for the day-to-day management of the business and operations of the Group. He executes the Board's decisions and strategic policies and chairs the Executive Committees, which comprise senior management executives, to oversee the operations of the Group.

BOARD CHARTER

The Board Charter sets out the roles and responsibilities of the Board, Board committees and individual directors in upholding sound corporate governance standards and practices. The Board Charter reflects the matters reserved for the Board's consideration and approval. The Board Charter is available for reference on the Company's website at www.mediachinesegroup.com.

ETHICAL STANDARDS

In discharging its responsibilities, the Board is guided by the Company's Code of Ethics and Conduct, which sets out the values, principles and guidelines as to how the Company conducts its business to ensure integrity, transparency and accountability. This is applicable to all directors and employees of the Group to govern the desired standard of behavior and ethical conduct expected from each individual throughout all levels within the Group. The Company also has in place a Whistleblowing Policy, which forms part of the Code of Ethics and Conduct. This provides an avenue for any director or employee to freely communicate their concerns about unethical practices without fear or repercussions in a safe and confidential manner.

BOARD COMPOSITION

As at 31 March 2019, there were 8 members on the Board comprising 3 executive directors, Ms TIONG Choon, Mr TIONG Kiew Chiong (GCEO) and Mr LEONG Chew Meng; 2 non-executive directors ("NEDs"), Dato' Sri Dr TIONG Ik King (Non-executive Chairman) and Tan Sri Datuk Sir TIONG Hiew King; and 3 independent non-executive directors ("INEDs"), Mr YU Hon To, David, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, which fulfils the requirements under the HK Listing Rules and Bursa Securities Listing Requirements. On 1 April 2019, Tan Sri Datuk Sir TIONG Hiew King resigned as a NED of the Company and the number of Board members was reduced from 8 to 7.

A brief description of the background of each director including his/her relationship, if any, with other Board members is presented on pages 4 to 8.

The Company, being majority-owned by the TIONG family, is aware of the benefits of having at least half of the Board made up of INEDs. With the resignation of Tan Sri Datuk Sir TIONG Hiew King on 1 April 2019, the total number of non-INEDs has been reduced from 5 to 4.

The Board, having conducted the annual review of the Board size and composition, is of the view that the Board is well-constituted with the right balance where no individual or small group of individuals can dominate the Board's decision-making. The current Board has a diverse mix of skills and experience to ensure it is effective and can optimise performance and strategy development in the best interest of the investors and shareholders of the Company. The Board will consider changes to the Board size and composition as and when necessary.

BOARD MEETINGS

All directors are expected to commit sufficient time in carrying out their responsibilities and the Chairman of the Board will be notified before a director accepts any new directorship.

The Board meets on a quarterly basis and additionally as and when required. Quarterly meetings as well as annual general meeting ("AGM") are scheduled in advance annually to enable the directors to plan ahead to ensure their attendance at the meetings. Notices of meetings which set out the matters to be discussed are sent to the directors at least 14 days prior to the meetings. All notices and meeting materials are communicated to the directors via emails or other means. This is to enable the directors to have sufficient time to review the board papers and obtain further information on the matters to be deliberated at the meetings. The directors may participate in the meetings through telephone, video conference or other forms of communication.

At Board meetings, management presents and provides explanation on the reports provided. Members of the Executive Committees and consultants may be invited to attend the Board meetings to advise or give detailed explanation and clarification on relevant agenda items to enable the Board to make informed decisions. Any director who has a direct and/or indirect interest in the subject matter to be deliberated on shall abstain from deliberation and voting on the same.

MEETING MATERIALS

All directors are furnished with a set of Board papers at least 5 days in advance before each Board or Board committee meeting. The meeting papers include, among others, comprehensive management reports, minutes of meetings, project proposals and discussion documents regarding specific matters. Minutes of the respective Board committees' meetings are presented to the Board for notation. Through regular Board meetings, the Board receives updates on new statutory and regulatory requirements relating to the duties and responsibilities of directors and their impact and implication to the Company and the directors in carrying out their fiduciary duties and responsibilities.

During the year, four (4) Board meetings were held. The attendance record for each director at the Board meetings and AGM is as follows:

	No. of meetings attended	
Directors	**Board**	**AGM**
Non-executive directors		
Dato' Sri Dr TIONG Ik King *(Chairman)*	4/4	1/1
Tan Sri Datuk Sir TIONG Hiew King *(resigned on 1 April 2019)*	2/4	–
Executive directors		
Ms TIONG Choon	4/4	1/1
Mr TIONG Kiew Chiong *(GCEO)*	4/4	1/1
Mr LEONG Chew Meng	4/4	1/1
Independent non-executive directors		
Mr YU Hon To, David	4/4	1/1
Datuk CHONG Kee Yuon	4/4	1/1
Mr KHOO Kar Khoon	4/4	1/1

BOARDROOM DIVERSITY

The Board acknowledges the importance of boardroom diversity and has adopted a policy on board diversity ("Board Diversity Policy"). Despite no specific targets being set, the Board is committed to improving the boardroom diversity in terms of gender, age, nationality, ethnicity and socio-economic background. In addition, the Nomination Committee also places emphasis on relevant skills, age, experience, knowledge, cultural background, personality and gender when considering new appointments of directors and conducting the annual performance evaluation on the effectiveness of the Board.

At present, the Company has one female director and the Board will work towards having more women representative on the Board to reflect the Company's commitment towards gender diversity. The Board will also take steps to nurture suitable and potential candidates in meeting the future needs of the Company.

BOARD APPOINTMENT

The Nomination Committee established by the Board is responsible for assessing the nominee(s) for directorship and Board committee membership and thereupon submitting their recommendation to the Board for decisions. In ensuring the suitability of a candidate, the Board reviews the required mix of skills, experience and expertise of Board members to ensure that it is sufficient to address the issues affecting the Company. In its deliberations, the integrity, professionalism, skills, knowledge, expertise, experience and independence of the proposed candidate are taken into account.

The Board may utilise independent sources to identify candidates for appointment of directors. Apart from that, the Nomination Committee also considers recommendations from existing Board members, management or major shareholders.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Bye-Laws, all newly appointed directors shall retire from office but shall be eligible for re-election in the next AGM or the next general meeting subsequent to their appointment. The Company's Bye-Laws further provide that at least one third of the remaining directors (save for the Non-executive Chairman) for the time being are required to retire by rotation at each AGM and eligible for re-election. Further, in accordance with the HK Listing Rules, all directors (including the Non-executive Chairman) shall retire from office once in every 3 years but shall be eligible for re-election.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The Company had entered into appointment letters with the INEDs namely, Mr YU Hon To, David, Datuk CHONG Kee Yuon and Mr KHOO Kar Khoon, and the NED namely, Dato' Sri Dr TIONG Ik King, for a term of two years from 1 April 2018 to 31 March 2020, subject to retirement and re-election by rotation at the AGM in accordance with the Bye-Laws of the Company.

Corporate Governance
Overview Statement

BOARD INDEPENDENCE

The Company measures the independence of its directors based on the criteria of independence as prescribed by the Bursa Securities Listing Requirements and the HK Listing Rules.

The Nomination Committee reviews the independence of the directors annually and each INED also performs a self-evaluation to affirm their independence from management. The Board and the Nomination Committee have, upon their annual assessment concluded that each INED continues to demonstrate conduct and behaviour that are essential indicators of independence and acts in the best interest of the Company. These were based on the grounds that they have consistently challenged management in an effective and constructive manner besides actively participated in Board discussion and provided an independent voice to the Board.

SHAREHOLDERS' APPROVAL FOR RE-APPOINTMENT OF AN INDEPENDENT DIRECTOR WHO HAS SERVED MORE THAN 9 YEARS

In line with the practice of the Malaysian Code, the tenure of an INED should not exceed a cumulative term of 9 years. An independent director may continue to serve the Board subject to his re-designation from an INED to a NED. In the event the Board intends to retain the INED after serving a cumulative term of 9 years, it should justify and seek annual shareholders' approval.

Mr YU Hon To, David was appointed to the Board as an INED on 30 March 1999, and has therefore served the Board for more than 9 years. During his tenure of office, Mr YU has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements.

The Board believes that Mr YU, who has over a period of time developed valuable insight of the Company and its business, can make valuable contributions to the Group. His expertise and experience enable him to discharge his duties and responsibilities independently and effectively notwithstanding his tenure on the Board. Based on the review and recommendation of the Nomination Committee, the Board views that Mr YU's independence has not been impaired or compromised in any way. In view of the above, the Board recommends to seek the shareholders' approval for the re-appointment of Mr YU as an INED of the Company at the forthcoming AGM. However, the shareholders' approval through a two-tier voting process to retain an independent director after the 12th year pursuant to the Malaysian Code is not applicable, as the tenure of Mr YU serving as an INED shall be counted and commenced from the date when the Company was dual-listed on Bursa Securities on 30 April 2008.

BOARD EVALUATION

The Board, through the Nomination Committee, undertakes the annual evaluation on effectiveness of the Board as a whole, the Board committees and the contribution of each individual director of the Company based on a set of pre-determined criteria. During the year, the annual evaluation process was internally facilitated and conducted through questionnaires circulated to each individual director covering areas such as board structure, diversity (including the gender diversity), contribution and performance, integrity and other qualities including core competencies which directors should bring to the Board, etc. They reviewed their own performance, the effectiveness of the Board, the Board committees and contributions of each individual director, the independence of the INEDs and the Board's mix and skillset. All INEDs had also submitted the annual confirmation of independence and confirmed their compliance with the independence criteria.

A summary report on the results of questionnaires was tabled to the Nomination Committee for deliberation, prior to recommending the appropriate action to the Board for consideration, in February 2019. The Nomination Committee is satisfied that (i) the Board and the Board committee's composition has fulfilled the criteria required, and possess a right blend of knowledge, experience and mix of skills; and (ii) the overall performance of the Board, Board committees and individual directors had been effective in discharging their functions and duties.

DIRECTORS' TRAININGS

The directors are encouraged to attend continuous education programmes, to enhance their skills and knowledge and to keep abreast with new developments in the business environment. The Company Secretaries facilitate the organisation of in-house trainings and keep directors informed of relevant external training programmes. During the year under review, the conferences, seminars and training programmes attended by the directors included the following:

- Forbes Global CEO Conference
- WAN-IFRA Digital Media Asia 2018
- Hong Kong Blockchain Summit 2018
- KPMG China Outlook 2018
- Breakfast Series "Companies of the Future — The Role of the Boards"
- Overview of the Malaysian Transfer Pricing Landscape
- Power Talk: "Would a Business Judgment Rule Help Directors Sleep Better at Night"
- Case Study Workshop for Independent Directors
- The KPMG INED Forum
- NED Programme: Staying Ahead of the New Business Model — Unicorns
- Schroders Thought Leadership Forum
- China Conference — China in Southeast Asia: Building Cooperation, Managing Complexities

Below is a summary of the trainings received by the directors during the year under review:

Name of director	Type of training
Dato' Sri Dr TIONG Ik King	A, B
Tan Sri Datuk Sir TIONG Hiew King (resigned on 1 April 2019)	B
Ms TIONG Choon	A, B
Mr TIONG Kiew Chiong	A, B
Mr LEONG Chew Meng	A, B
Mr YU Hon To, David	A, B
Datuk CHONG Kee Yuon	A, B
Mr KHOO Kar Khoon	A, B

A: attended seminars/conferences/workshops/forums

B: read journals and updates relating to the economy, media business, governance and directors' duties and responsibilities, etc.

The directors will continue to attend relevant training programmes and seminars from time to time, in order to equip themselves with requisite knowledge and skills to discharge their duties and responsibilities more effectively.

BOARD COMMITTEES

The following is the attendance record of the Board committees' meetings for the financial year ended 31 March 2019 (save and except for the attendance record of the Audit Committee which is set out on page 73):

	No. of meetings attended
Group Executive Committee	
Mr TIONG Kiew Chiong *(Chairman)*	4/4
Mr LEONG Chew Meng	4/4
Mr NG Kait Leong	4/4
Mr WONG Khang Yen (appointed on 1 June 2018)	2/3
Mr YII Hua Tung (resigned on 1 September 2018)	1/2
Nomination Committee	
Mr KHOO Kar Khoon *(Chairman)*	1/1
Mr YU Hon To, David	1/1
Datuk CHONG Kee Yuon	1/1
Remuneration Committee	
Datuk CHONG Kee Yuon *(Chairman)*	3/3
Mr YU Hon To, David	3/3
Mr KHOO Kar Khoon	3/3
Mr TIONG Kiew Chiong	3/3
Mr LEONG Chew Meng	3/3

GROUP EXECUTIVE COMMITTEE

The Board has delegated the day-to-day operations of the Group's business to the Group Executive Committee which comprises the following members:

- Mr TIONG Kiew Chiong *(Chairman)*
- Mr LEONG Chew Meng
- Mr NG Kait Leong
- Mr WONG Khang Yen (appointed on 1 June 2018)
- Mr YII Hua Tung (resigned on 1 September 2018)

The duties and responsibilities of the Group Executive Committee include, among others:

- Monitoring and reviewing the operations in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries;

- Performing duties delegated by the Board and exercising the authorities and rights authorised by the same;

- Formulating strategies and business development plans, submitting the same to the Board for approval and implementing such strategies and business development plans thereafter; and

- Assisting the Board in conducting the review of the adequacy and effectiveness of risk management and internal control systems of the Group.

The Group Executive Committee meets regularly to deliberate and consider matters related to the Group's business operations. During the year, the Group Executive Committee has assisted the Board in reviewing the Group's business performance and financial position, implementing new policies and business strategies required by the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises entirely of INEDs and its members during the year were:

- Mr KHOO Kar Khoon *(Chairman)*
- Mr YU Hon To, David
- Datuk CHONG Kee Yuon

The duties and responsibilities of the Nomination Committee include, among others:

- Reviewing the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the INEDs at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- Assessing annually the effectiveness of the Board as a whole, the Board committees and the contribution of each individual director. All assessments and evaluation are documented for proper records; and

- Identifying and recommending new nominees to the Board and Board committees. The final decision as to who shall be appointed as director remains the responsibility of the full Board, after considering the recommendation of the Nomination Committee.

Meetings of the Nomination Committee are held as and when necessary, and at least once a year. A summary of the key activities undertaken by the Nomination Committee is as follows:

- Reviewed the structure, size and composition of the Board and the Board committees and made recommendations to the Board with regard to any adjustment thereof and/or the appointment of directors as the Nomination Committee deems necessary;
- Conducted the annual performance evaluation and reviewed the assessment results/findings prior to recommending the appropriate action to the Board for consideration;
- Assessed the directors' training needs;
- Recommended whether the directors who are retiring by rotation should stand for re-election at the AGM;
- Reviewed the retention of Mr YU Hon To, David, who has served the Company as an INED for more than 9 years, for recommendation to the shareholders for their approval;
- Considered and recommended the renewal and new service contracts for the Board members; and
- Reviewed the succession plans of the Board and senior management in order to ensure that there are appropriate plans in place to fill vacancies and to meet the Group's future needs.

Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") which sets out the procedures and criteria for the selection, appointment, re-appointment or re-election of directors. The selection criteria that the Nomination Committee has to consider in evaluating and selecting a candidate for directorship include the following:

(a) character and integrity;

(b) qualifications including professional and education qualifications, personal qualities, skills, knowledge, expertise and experience that are relevant to the Company's business and corporate strategy;

(c) commitment and willingness to devote sufficient time to discharge duties as a member of the Board;

(d) professional ethics and independent judgement of the person;

(e) Board Diversity Policy and any measurable objectives adopted for achieving diversity on the Board;

(f) independence of the proposed INEDs;

(g) such other perspectives appropriate to the Company's business or as suggested by the Board.

Nomination Procedures

(a) Nomination by the Nomination Committee

(i) The Nomination Committee reviews the structure, size and composition (including the balance mix of skills, knowledge and experience) of the Board at least annually and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) When it is necessary to fill a causal vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates as recommended to the Committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;

(iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(iv) The Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment; and

(v) The Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee.

(b) Re-election of Director at AGM

(i) In accordance with the Company's Bye-Laws, every director shall be subject to retirement by rotation at least once every three years and shall be eligible for re-election at each AGM;

(ii) The Nomination Committee shall review the overall performance and contribution of the retiring director to the Company. The Nomination Committee shall also review the expertise and professional qualifications of the retiring director, who offered himself/herself for re-election at the AGM, to determine whether such director continues to meet the criteria as set out in the Nomination Policy;

(iii) Based on the review made by Nomination Committee, the Board shall make recommendations to the shareholders on candidates standing for re-election or re-appointment at the AGM of the Company, and provide the available biographical information of the retiring directors in accordance with the HK Listing Rules and the Bursa Securities Listing Requirements to enable shareholders to make informed decisions on the re-election of such candidates at the AGM.

(c) Nomination by shareholders

The shareholders of the Company may propose a person for election as a director in accordance with the Bye-Laws of the Company and applicable law, details of which are set out in the "Procedures for shareholder to propose a person for election as a director" on the Company's website at www.mediachinesegroup.com.

REMUNERATION COMMITTEE

The Remuneration Committee comprises 5 directors, 3 of whom are INEDs. The members of the Remuneration Committee are:

- Datuk CHONG Kee Yuon *(Chairman)*
- Mr YU Hon To, David
- Mr KHOO Kar Khoon
- Mr TIONG Kiew Chiong
- Mr LEONG Chew Meng

The duties and responsibilities of the Remuneration Committee include, among others:

- Recommending to the Board on the Company's policies and structure for directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy; and
- Reviewing and recommending to the Board on the remuneration packages of executive directors, senior management and the remuneration of NEDs.

The Remuneration Committee meetings are held as and when necessary and at least once a year. During the year, the Remuneration Committee has reviewed the remuneration policy and structure of the executive directors and senior management of the Company. It has also reviewed and recommended to the Board the specific remuneration packages including the terms of employment and performance-based bonus for the directors of the Company and senior management of the Group.

Remuneration Policy and Procedures

The policy for directors' remuneration is to provide a remuneration package needed to attract, retain and motivate directors and senior management of the quality required to supervise and/or manage the business of the Group.

The NEDs of the Company are paid fixed annual directors' fees for serving as members of the Board, and these payments are subject to the shareholders' approval at the AGM. NEDs are also paid an attendance allowance for each Board or Board committee meeting that they attend. The Chairman of the Board committees receives an annual fixed allowance for the additional responsibility and commitment required. The executive directors of the Company who are full time employees are remunerated in the form of salaries and bonuses.

The remuneration for executive directors of the Company and senior management of the Group are based on the human resources policies and procedures of the respective operating companies in the Group.

Each individual director abstains from the Board decision on his/her own remuneration.

Remuneration Package

The remuneration package of directors is as follows:

a. Basic salary and bonus
The basic salary for each executive director is recommended by the Remuneration Committee, taking into consideration all relevant factors including function, workload, contribution and performance of the director, as well as the market rate in comparable companies. Bonuses payable to the executive directors are reviewed by the Remuneration Committee and approved by the Board.

b. Fees and other emoluments
NEDs and executive director who are not full time employees of the Group are remunerated by way of fees and other emoluments based on experience and level of responsibilities of the particular directors concerned.

c. Benefits-in-kind
Other benefits (such as use of company cars, insurance coverage and housing) are made available as appropriate.

Disclosure on Remuneration

The aggregate remuneration of directors comprising remuneration received/receivable from the Company and its subsidiary companies for the financial year ended 31 March 2019 is categorised as follows:

	Executive directors US$'000	Non-executive directors US$'000
Directors' fees	93	158
Meeting allowances	–	3
Salaries and other emoluments	598	–
Benefits-in-kind	47	–

The details of each director's total remuneration for the financial year ended 31 March 2019 are set out in Note 16 to the financial statements on page 137.

The number of directors and senior management of the Company whose total remuneration falls into the following bands is as follows:

Range of remuneration	Executive directors	Non-executive directors	Senior management
from US$12,266 to US$24,530 (equivalent to RM50,001 to RM100,000)		3	
from US$24,531 to US$36,795 (equivalent to RM100,001 to RM150,000)			1
from US$36,796 to US$49,060 (equivalent to RM150,001 to RM200,000)		1	
from US$49,061 to US$61,326 (equivalent to RM200,001 to RM250,000)		1	
from US$73,591 to US$85,856 (equivalent to RM300,001 to RM350,000)	1		
from US$85,857 to US$98,121 (equivalent to RM350,001 to RM400,000)			1
from US$122,652 to US$134,916 (equivalent to RM500,001 to RM550,000)			1
from US$134,917 to US$147,181 (equivalent to RM550,001 to RM600,000)			1
from US$147,182 to US$159,447 (equivalent to RM600,001 to RM650,000)			2
from US$208,508 to US$220,772 (equivalent to RM850,001 to RM900,000)	1		
from US$233,038 to US$245,302 (equivalent to RM950,001 to RM1,000,000)			1
from US$306,628 to US$318,893 (equivalent to RM1,250,001 to RM1,300,000)			1
from US$441,545 to US$453,810 (equivalent to RM1,800,001 to RM1,850,000)	1		

The Board opined that the names of the top 5 senior management will not be disclosed due to sensitivity and privacy issues.

Corporate Governance
Overview Statement

JOINT COMPANY SECRETARIES

The Board is supported by the Joint Company Secretaries who are qualified to act as company secretaries under relevant legislative requirements and the HK Listing Rules.

The Joint Company Secretaries are accountable directly to the Board on the Board's policies and procedures, which include reviewing and implementing corporate governance practices and processes, keeping the Board and the Board committees up to date on relevant regulatory and legislative requirements. They also provide advice on matters pertaining to corporate disclosures and compliance with corporate governance requirements.

The Joint Company Secretaries are responsible to organise and record minutes for all Board and Board committee meetings. They also ensure that Board meeting procedures are followed and that the Company's statutory records are maintained accordingly at the head offices and registered office of the Company. They also organise the AGM with the support from other related departments of the Group.

The Joint Company Secretaries are full-time employees of the Group. Ms TIN Suk Han is a solicitor to the High Court of the Hong Kong Special Administrative Region and an associate member of the Hong Kong Institute of Chartered Secretaries, and Ms TONG Siew Kheng is an associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

DIVIDEND POLICY

The Company adopted a dividend policy which aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserves to meet its working capital requirements and future growth opportunities. In deciding whether to propose a dividend and in determining the dividend amount, the Board will take into consideration the Group's current financial performance, its financial position and liquidity, future working capital requirements and investment plans, as well as other factors as the Board may deem relevant. The payment of dividend is also subject to the compliance with applicable rules and regulations under the laws of Bermuda, Hong Kong, Malaysia as well as the Bye-Laws of the Company.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee, amongst others, provides advice in the areas of financial reporting, external audit, internal control process, and review of conflict of interest situations and related party transactions. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group. A full Audit Committee Report detailing its composition, terms of reference and summary activities during the year is set out on pages 73 to 76.

The Audit Committee is chaired by Mr YU Hon To, David, an INED who is distinct from the Chairman of the Board. The members are all financially literate and have a full understanding of the Group's financial reporting process and the financial matters deliberated. The members also attended training on new rules or standards relating to accounting standards or corporate governance.

INDEPENDENCE OF EXTERNAL AUDITOR

The Audit Committee places importance on ensuring the external auditor is independent.

The appointment of PricewaterhouseCoopers as the external auditor of the Group for the financial year ended 31 March 2019 was approved by the shareholders on 14 August 2018. Though there are currently no written policies in place on the methodology to assess the independence of the external auditor, the external auditor has confirmed its continuing independence status, in compliance with the requirements of International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

PricewaterhouseCoopers will retire and has offered itself for re-appointment as external auditor at the coming AGM to be held on 14 August 2019.

A statement by PricewaterhouseCoopers about the reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 85 to 88.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises the importance of risk management and internal controls in the overall management processes.

Risk Management and Internal Control Framework

The Board, through the Audit Committee, reviews the adequacy and effectiveness of the Group's risk management framework to ensure robust risk management and internal control systems are in place.

The Group has adopted a formal Risk Management Policy and, through the Group Executive Committee, maintains detailed risk registers which are reviewed and updated regularly. Reports on risk profiles of the Group and the status of progress towards mitigating the key risks areas are reviewed and deliberated by the Audit Committee at its quarterly meetings, before tabling to the Board for notation.

Regular reviews on risk management and internal control activities are performed by the Internal Audit Function. The Internal Audit Function reports functionally to the Audit Committee. Please refer to the Statement on Risk Management and Internal Control on pages 68 to 72 for further information.

Internal Audit

The Group has an in-house Internal Audit Function which currently has 5 team members and is headed by Ms TING Huey Lian. Ms TING is a Certified Internal Auditor (CIA) of the Institute of Internal Auditors (IIA USA), a Certified Public Accountant (CPA) of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA). The internal auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence. The Internal Audit Function is guided by the International Professional Practice Framework (IPPF) promulgated by the Institute of Internal Auditors (IIA). The mandatory elements of the IPPF are Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, International Standards for the Professional Practice of Internal Auditing (Standards) and Definition of Internal Auditing.

Details of the Audit Committee's oversight of the Internal Audit Function are set out in the Audit Committee Report on page 76 of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Inside Information

The Company is committed to promoting consistent disclosure practices aiming at timely, accurate, complete and broadly disseminated disclosure of inside information about the Group to the market in accordance with applicable laws and regulatory requirements. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance, the HK Listing Rules and the Bursa Securities Listing Requirements;

- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission and the "Corporate Disclosure Guide" as well as the communication notes/guides issued by Bursa Securities; and

- ensures, through its own internal reporting processes and the consideration of their outcome by directors and senior management, the appropriate handling and dissemination of inside information.

COMMUNICATION WITH STAKEHOLDERS

The Company values the importance of having effective communication with its stakeholders, shareholders and investors.

During the year, the management had carried out one closed group briefing session for the fund managers and investment analysts, besides attending to ad-hoc written queries on the Company's performance. From time to time, scheduled conference calls are also conducted with regards to the same. The Company also posts its latest corporate information, financial results, press releases, interim and annual reports on its website at www.mediachinesegroup.com.

Announcements are made on a timely basis to Bursa Securities and the HK Stock Exchange and these are made electronically to the public via Bursa Securities website at www.bursamalaysia.com, the HK Stock Exchange website at www.hkexnews.hk as well as the Company's website.

Annual Report

The Annual Report is the main channel of communication between the Company and its stakeholders. The Company has yet to adopt a fully integrated report format but the current format contains comprehensive information of the financial results, management discussion and analysis on operations, governance, sustainability measures and activities of the Group.

AGM and Special General Meetings ("SGM")

The Company's AGM is the principal forum for dialogue with individual shareholders. The AGM is conducted simultaneously both in Hong Kong and Malaysia via video conferencing. At the Company's AGM, which is generally well attended, shareholders are presented with an overview of the Company's performance during the year. Shareholders have direct access to the Board at the AGM and are given the opportunity to ask questions during the open question and answer session prior to the moving of the motion to approve the proposed resolutions. Shareholders are encouraged to ask questions about the resolutions being proposed and on the Company's operations in general.

The Company is committed to providing 28 days prior notice for the AGM.

Separate resolutions are proposed at general meetings for substantially separate issues including the re-election of directors.

Pursuant to Rule 13.39(4) of the HK Listing Rules and Paragraph 8.29A under the Bursa Securities Listing Requirements, all votes of the shareholders at the general meetings shall be taken by poll. Procedures for voting by poll are read out at the general meetings and the shareholders participate in the deliberation of resolutions being proposed. The resolutions are proposed and seconded by the shareholders and then voted on by way of poll in the manner prescribed under the HK Listing Rules and the Bursa Securities Listing Requirements. The chairman of the meeting will declare the results of the voting on each resolution.

At the 28th AGM of the Company held on 14 August 2018, 7 directors were present in person to engage directly with the shareholders, and be accountable for their stewardship of the Company. The Company had appointed Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct the polling process, and Coopers Professional Scrutineers Sdn Bhd as the independent Scrutineer to verify the poll results.

The attendance record of directors at the general meeting for the financial year ended 31 March 2019 is set out on page 48.

Procedures of Raising Enquiries

The Company welcomes inquiries and feedbacks from shareholders and stakeholders. Shareholders may direct their questions in respect of their shareholdings to the Company's branch share registrars set out below:

(a) Malaysia: Tricor Investor & Issuing House Services Sdn Bhd, Unit 32–01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or

(b) Hong Kong: Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All queries and concerns regarding the Group may be emailed to corpcom@mediachinese.com or conveyed to the directors at the following addresses:

(a) Malaysia head office: No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(b) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

Implications of the Company's Dual Primary Listings Status on the Investors

The Company is dual-listed on the Main Board of the HK Stock Exchange and the Main Market of Bursa Securities. As a result, shareholders of the Company are entitled to trade the Company's shares on both the HK Stock Exchange and Bursa Securities. Shareholders need to comply with the relevant procedures for trading and transfer of shares between the two securities exchanges, including:

(i) Trading of the Company's shares

If a shareholder chooses to trade his/her shares in the Company on Bursa Securities, there is a stamp duty of RM1 for RM1,000 or fractional part of value of securities (payable by both buyer and seller) chargeable on the transaction and the maximum stamp duty to be paid is RM200. For the trading in Hong Kong, stamp duty on sale or purchase of the Company's shares is charged at a rate of 0.1% of the amount of the consideration or of its value on every sold note and every bought note together with a transfer deed stamp duty of HK$5. The applicable brokerage and clearing fees would also be payable by the seller and the buyer.

(ii) Transfer of shares from Bursa Securities to the HK Stock Exchange and vice versa

If a shareholder whose shares are deposited in Bursa Malaysia Depository Sdn Bhd (i.e. the central depository of the Bursa Securities) ("Bursa Depository") wishes to withdraw his/her shares from Bursa Depository and deposit them into the Hong Kong securities system for trading in Hong Kong, the share transfer form will be subject to Malaysian stamp duty. The stamp duty payable on such share transfer form is a nominal sum of RM10 on the basis that no beneficial interest passes in such transfer as the transfer is made by a bare trustee (i.e. Bursa Depository) to a beneficiary (i.e. the investor).

For the share transmission between the Hong Kong branch share register and the Malaysian branch share register, a shareholder has to pay administrative fees for registration and issuance of new share certificates to the relevant share registrars .

CONVENING OF SGM UPON REQUISITION BY SHAREHOLDERS

In accordance with Section 74 of the Companies Act 1981 of Bermuda ("Bermuda Companies Act"), a SGM shall be convened upon receipt of a written requisition from a shareholder or shareholders of the Company holding not less than one-tenth (10%) of the Company's paid-up capital carrying the right of voting at general meetings of the Company at the date of deposit of the written requisition.

The written requisition must state the purposes of the meeting (including the resolutions to be considered at the meeting), signed by the requisitionists and deposited at the Company's registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda (the "Registered Office") with a copy to one of the head offices of the Company as below for the attention of the Joint Company Secretaries:

(i) Malaysia head office: No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or

(ii) Hong Kong head office: 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong (collectively the "Head Offices").

The written requisition may consist of several documents in like form each signed by one or more of the requisitionists. If the directors do not within 21 days from the date of the deposit of the written requisition proceed duly to convene a SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the date of deposit of the written requisition.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

The Bermuda Companies Act allows shareholder(s) to requisition the Company to move a resolution at an AGM of the Company or circulate a statement at any general meeting of the Company.

Pursuant to Sections 79 and 80 of the Bermuda Companies Act, either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a copy to one of the Head Offices of the Company for the attention of the Joint Company Secretaries with a sum reasonably sufficient to meet the Company's relevant expenses, not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition.

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office with a copy to one of the Head Offices of the Company, an AGM is called for a date 6 weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

With respect to proposing a person for election as a director, the procedures are accessible on the Company's website at www.mediachinesegroup.com.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the year ended 31 March 2019.

2. Material Contracts

There were no material contracts of the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving directors' and major shareholders' interests, either still subsisting at 31 March 2019 or entered into since the end of the previous financial year, save for the following:

The sale and purchase agreement dated 30 November 2018 entered into between Sin Chew Media Corporation Behad, a wholly-owned subsidiary of the Company and Optical Communication Engineering Sdn Bhd ("OCE") in relation to an acquisition of land and property for a total cash consideration of RM18.4 million. The transaction was completed on 22 February 2019.

By virtue of the interests of the following directors and major shareholders of the Company, the transaction was a related party transaction under the Bursa Securities Listing Requirements or a connected transaction under the HK Listing Rules:

- Tan Sri Datuk Sir TIONG Hiew King is a major shareholder and director of OCE.
- Dato' Sri Dr TIONG Ik King is a shareholder of OCE.
- Ms TIONG Choon is a director of OCE.

Details of the transaction are set out in the Company's announcements to the Bursa Securities and the HK Stock Exchange on 30 November 2018 and 22 February 2019.

3. Audit and Non-Audit Fees

For the financial year ended 31 March 2019, PricewaterhouseCoopers and its other member firms provided the following audit and non-audit services to the Group:

	Group US$'000	Company US$'000
Audit services	572	155
Non-audit services	52	1

The fees for audit and non-audit services provided by other external auditors and their affiliated companies to the subsidiaries of the Company amounted to US$1,000 and US$36,000 respectively.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature (As Defined under Paragraph 10.09 of the Bursa Securities Listing Requirements) for the Financial Year Ended 31 March 2019

No.	Related parties	Contracting parties	Nature of transactions	Transacted value RM'000	Equivalents in US$'000
1.	Tiong Toh Siong & Sons Sendirian Berhad ("TTS&S")	Mulu Press Sdn Bhd ("MPSB")	MPSB's tenancy of various properties from TTS&S as landlord	30	7
	Nature of relationship: Tan Sri Datuk Sir TIONG Hiew King ("TSTHK") is both a major shareholder and a director of the Company and TTS&S, and a director of Sin Chew (the holding company of MPSB). Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S and MPSB.				
2.	Rimbunan Hijau Holdings Sdn Bhd ("RHH")	MPSB	MPSB's tenancy of various properties from RHH as landlord	70	17
	Nature of relationship: Teck Sing Lik Enterprise Sdn Bhd ("TSL") is a major shareholder of RHH and a shareholder of the Company. TSTHK is both a major shareholder and a director of the Company, TSL and RHH. He is a director of Sin Chew (the holding company of MPSB). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of RHH.				
3.	Sin Chew News Holdings Sdn Bhd ("SCNH")	Sin Chew	Provision of editorial pagination services from Sin Chew to SCNH	116	30
	Nature of relationship: SCNH is a wholly-owned subsidiary of Sin Chew Press Agencies Sdn Bhd ("SCPA"). Ms Tiong Choon is a director and major shareholder of SCPA. She is both a director and shareholder of the Company. She is also a director of Sin Chew.				
4.	Momawater Sdn Bhd ("Momawater)	the Group	Purchase of drinking water from Momawater	4	–*
	Nature of relationship: Momawater is a wholly-owned subsidiary of Subur Tiasa Holdings Berhad. TSTHK is both a director and major shareholder of the Company. He is also a substantial shareholder of Subur Tiasa Holdings Berhad.				

* negligible

No.	Related parties	Contracting parties	Nature of transactions	Transacted value RM'000	Equivalents in US$'000
5.	Everfresh Dairy Products Sdn Bhd ("Everfresh")	MPSB	MPSB's tenancy of office at Lot 1054, Block 31, Kemena Commercial Centre, Jalan Tanjung Batu, 97000 Bintulu, Sarawak, Malaysia from Everfresh as landlord	6	1
	Nature of relationship: Tiong Toh Siong Enterprises Sdn Bhd ("TTSE") and TSL are major shareholders of Everfresh and shareholders of the Company. TSTHK is both a major shareholder and a director of Everfresh, TTSE, TSL and the Company. TSTHK is a director of Sin Chew (the holding company of MPSB). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a major shareholder of TTSE.				
6.	Evershine Agency Sdn Bhd ("EA")	MPSB	MPSB purchases motor vehicle insurance from EA	3	–*
	Nature of relationship: Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS") is a shareholder of the Company and a major shareholder of EA. Pertumbuhan Abadi Asia Sdn Bhd ("PAA"), TSL and TTSE are major shareholders of RHS and shareholders of the Company. TSTHK is a major shareholder of EA and a director of Sin Chew (the holding company of MPSB). He is both a major shareholder and a director of the Company, RHS, PAA, TSL and TTSE. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and, pursuant to the Act, a substantial shareholder of EA.				
7.	R. H. Tours & Travel Agency Sdn Bhd ("RHTT")	the Group	Purchase of air-tickets from RHTT	34	8
	Nature of relationship: RHS is a shareholder of the Company and a major shareholder of RHTT. PAA, TSL and TTSE are major shareholders of RHS and shareholders of the Company. TSTHK is both a major shareholder and a director of the Company, RHTT, RHS, PAA, TSL and TTSE. Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is a major shareholder of TTSE and a shareholder of RHTT. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHTT.				
8.	R H Bee Farms Sdn Bhd ("RHBFSB")	the Group	(i) Purchase of honey	–	–
			(ii) Commission receivable from sale of honey	7	1
	Nature of relationship: TSTHK is both a major shareholder and a director of the Company and RHBFSB. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of RHBFSB.				
9.	Optical Communication Engineering Sdn Bhd ("OCE")	MCIL Multimedia Sdn Bhd ("MCIL Multimedia")	Provision of broadband internet services by OCE to MCIL Multimedia	1	–*
	Nature of relationship: PAA is a major shareholder of OCE and a shareholder of the Company. TSL is a substantial shareholder of OCE and a shareholder of the Company. TSTHK is both a major shareholder and a director of OCE, PAA, TSL and the Company. He is a director of Sin Chew (the holding company of MCIL Multimedia). Dato' Sri Dr TIONG Ik King is both a major shareholder and a director of the Company. He is also a shareholder of OCE. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of OCE and MCIL Multimedia.				
10.	Web Technology Center Sdn Bhd ("WTC")	Sin Chew	Provision of engineering professional services by WTC to Sin Chew	192	47
	Nature of relationship: Mr NG Kait Leong is a director of the subsidiaries of the Company. He is both a major shareholder and a director of WTC.				

* negligible

No.	Related parties	Contracting parties	Nature of transactions	Transacted value HK$'000	Equivalents in US$'000
11.	Cheerhold (H.K.) Limited ("Cheerhold")	Charming Holidays Limited ("Charming")	Provision of services such as air tickets and accommodation arrangement services by Charming to Cheerhold	–	–
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK and Dato' Sri Dr TIONG Ik King are both a major shareholder and director of the Company. The sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the ultimate sole shareholder of Cheerhold.				
12.	TTS&S	Charming	Provision of services such as air tickets and accommodation arrangement services by Charming to TTS&S	–	–
	Nature of relationship: Charming is a wholly-owned subsidiary of the Company. TSTHK is both a major shareholder and a director of the Company and TTS&S. Ms TIONG Choon is both a shareholder and a director of the Company. She is a director of TTS&S.				
13.	Narong Investment Limited ("Narong")	Ming Pao Holdings Limited ("MPH")	MPH's tenancy of premises at Flat A, 15th Floor, Marigold Mansion, Taikoo Shing, Hong Kong	534	67
	Nature of relationship: MPH is a wholly-owned company of the Company. TSTHK and Dato' Sri Dr TIONG Ik King are both a major shareholder and director of the Company. TSTHK is also a director of MPH. The sister-in-law of both TSTHK and Dato' Sri Dr TIONG Ik King is the major shareholder of Narong. Dato' Sri Dr TIONG Ik King is also a director of Narong.				
14.	Sun Media International Limited ("Sun Media")	MPH	Provision of accounting and administrative services by MPH to Sun Media	60	8
	Nature of relationship: MPH is a wholly-owned subsidiary of the Company. TSTHK is both a major shareholder and director of the Company and Sun Media. He is also a director of MPH.				
15.	Zero New Media International Limited ("Zero New Media")	MPH	Provision of accounting and administrative services by MPH to Zero New Media	72	9
	Nature of relationship: MPH is a wholly-owned subsidiary of the Company. Zero New Media is a wholly-owned subsidiary of Sun Media. TSTHK is both a major shareholder and director of the Company and Sun Media. He is also a director of MPH and Zero New Media.				

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's Memorandum of Association and Bye-Laws.

This Corporate Governance Overview Statement was approved by the Board on 28 May 2019.

Statement of Directors' Responsibilities
in relation to the Financial Statements

The directors are responsible for ensuring that the financial statements of the Company and of the Group are prepared in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The directors are also responsible for ensuring that the financial statements of the Company and of the Group are prepared with reasonable accuracy so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2019, and of the Group's profit or loss and cash flows for the year then ended.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2019, the directors have:

— complied with all relevant accounting standards and regulatory disclosure requirements;

— made judgements and estimates that are reasonable and prudent;

— applied appropriate and relevant accounting policies consistently; and

— prepared the financial statements on the going concern basis.

The directors are committed to taking reasonable steps in safeguarding the assets of the Company and of the Group, preventing and detecting fraud and other irregularities.

Statement on
Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control (this "Statement") is made pursuant to Paragraph 15.26(b) of the Bursa Securities Listing Requirements with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. It is also made in accordance with the Hong Kong Code contained in Appendix 14 of the HK Listing Rules. The Board remains committed to maintaining a sound risk management and internal control system to manage risks and safeguard shareholders' investments and the Group's assets.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility in establishing a sound risk management framework and internal control system for the Group as well as reviewing its adequacy and effectiveness. The Board is of the view that the risk management framework and internal control systems are designed to manage and mitigate the Group's risks within the acceptable risk parameters, rather than to eliminate all risks of failure to achieve business objectives.

In view of the inherent limitations in any system, such system can only provide reasonable but not absolute assurance against material misstatements, losses, frauds, breaches of laws and regulations, and unforeseen emerging risks.

RISK MANAGEMENT FRAMEWORK

The Group has established appropriate control structure and systematic process for identifying, evaluating, monitoring and managing significant risks pertinent to the achievement of its overall corporate objectives throughout the year. This process is regularly reviewed by the Board.

The Audit Committee assists the Board in (i) reviewing the adequacy and effectiveness of the Group's risk management and internal control systems; (ii) reviewing management's identification of the significant risks in accordance with the Group's risk management policy; and (iii) reporting to the Board of any significant failures or potential breaches of the Group's risk management policy.

The Group Executive Committee ensures on behalf of the Board that business risks are identified, assessed, managed and monitored across the businesses of the Group. The Group Executive Committee reports quarterly to the Board on changes in the risk landscape and developments in the management of principal risks.

The Group Executive Committee has established two separate Risk Management Committees ("RMC"), one in Malaysia and one in Hong Kong, to oversee and drive improvement in risk management.

The two RMCs are responsible for overseeing the implementation of the risk management framework, reviewing the risk management processes periodically and ensuring that on-going measures taken are adequate to manage, address or mitigate the risks identified.

The same principle applies to the Risk Management Units ("RMU"), where risk monitoring accountability rests with the respective subsidiaries within the Group. The RMU comprises key management staff from each division within the operating company.

RISK MANAGEMENT PROCESS

The risk management process is cascaded through the Group. All key management, heads of subsidiary companies and heads of departments have to identify, evaluate and manage risks associated with the business operations on an on-going basis with defined parameters, and record the identified risks in the risk registers. It is mandatory for this process to take place at least once a year.

For each risk identified, the management will assess the root causes, consequences and mitigating controls. An assessment is then made taking into account the probability of the risk occurring and the impact before and after mitigating controls. The content of the risk register is determined through review by the RMU and discussions with senior management.

At each RMU meeting, the overall risk profile of the operating company is assessed, significant risks are identified, the risk register is updated and action plans for mitigation are prepared. A risk assessment report comprising the action plans on significant risks is tabled to the RMC. The deliberation of risks and related mitigating responses are carried out at regular management meetings of the operating companies.

In essence, risks are dealt with and contained at the respective subsidiaries, and are communicated upwards to the Board via the RMC and the Group Executive Committee.

The Group Executive Committee is assisted by the Risk Coordinators (RCs) in Hong Kong and Malaysia, who act as the Group's focal points for all risk management activities within their respective regions.

PRINCIPAL RISKS AND UNCERTAINTIES

The table below lists the principal risks and uncertainties that the Board considers relevant to the Group's business and highlights the mitigating actions that are being taken. However, this is not an exhaustive list of all relevant risks and uncertainties. Other factors besides those listed could also affect the Group and give rise to material consequences.

Nature of risk	**Macroeconomic risk** In the recent years, the Group has been adversely affected by weak economic conditions in the markets it operates in and has experienced declines in its print revenues. If these conditions persist or worsen, the Group's business, financial condition and results of operations may continue to be adversely affected.
Mitigating actions	• Practicing prudent financial management and efficient operating procedures. • Creating products which meet the needs of customers. • Ensuring cost containment and efficiency in all business activities. • Closely monitoring economic situation and forecasting data as any significant or sustained rise in the inflation rate may put pressure on interest rates and hence the Group's cost base.

Statement on
Risk Management and Internal Control

Nature of risk	**Market disruption** Maintaining profitability is increasingly challenging for the Group's publishing business due to market disruption arising from the shift from print to digital and mobile media. The increasing number of digital media options available is significantly expanding consumer choices and experiences, resulting in shifting audience preferences. The Group's performance will be affected by its ability to respond timely to market changes and consumer preferences.
Mitigating actions	• Developing new content, products and services that appeal to customers. • Focusing on building digital audiences and revenue through new platforms and enhancing the content available to readers and advertisers. • Closely monitoring business performance through financial reporting and KPIs.
Nature of risk	**Newsprint price and supply risk** Newsprint cost represents a significant component of the Group's costs of sales for its print newspapers. While the newsprint price is currently at a low level and that supply is stable, however, newsprint price has historically been volatile and may increase as a result of various factors. A significant increase in the newsprint price and a shortage in supply could adversely impact the Group's operating results.
Mitigating actions	• Closely monitoring print consumption and efficient management of content. • Stockpiling
Nature of risk	**Business interruption** The Group may experience a significant loss of production capability during a disaster scenario which could severely impact revenue and lead to increased costs.
Mitigating actions	• Production Recovery Plans and IT Disaster Recovery Plans for individual business units where appropriate. • Maintaining adequate IT systems to secure business and customer data, and protect from deliberate theft of sensitive information, loss of service and cybercrime. • A crisis management framework is in place which can be activated in the event of a crisis or disaster. • IT standards and policies are in line with appropriate best practices. • Regular maintenance of press and critical operating systems.

Nature of risk	**Non-compliance with laws and regulations** The Group operates across a number of markets and jurisdictions which expose it to a range of legal, tax and other regulatory laws that must be complied with. The Group's failure or inability to comply with laws and regulations in the markets in which it operates could have material adverse effects on the Group's business.
Mitigating actions	The Group is committed to adhering to all relevant laws and regulations in relation to its business activities. A number of processes which involve the Group's company secretaries, legal and editorial departments are in place to assess and address any compliance requirements.

INTERNAL AUDIT

The mission of the Internal Audit Function is to enhance and protect organisational value of the Group by providing risk-based and objective assurance, advice and insight. The Internal Audit Function helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

The Internal Audit Function reviews the adequacy and effectiveness of the Group's risk management and internal control systems based on its annual audit plan approved by the Audit Committee. This provides reasonable assurance to the Board that risk management and internal control processes are in place and operating satisfactorily. For any significant gaps identified, Internal Audit Function provides recommendations to management to improve the design, process and procedures where applicable.

OTHER INTERNAL CONTROL PROCESSES

Apart from the above, the other key features of the Group's internal control systems are as follows:

- The Group has established an organisation structure with clearly defined lines of responsibilities, authority limits and accountability aligned to businesses and operations requirements;

- Relevant executive directors and senior management have been delegated with specific authorities and responsibilities for monitoring the performance of designated business operating units;

- The Board reviews and approves the Group's annual business plans and budgets. The Group's senior management meets on a monthly basis with operating companies' management to review their businesses and financial performances against the business plans and approved budgets. Key business risks relevant to each operating company are also reviewed in these meetings;

- Explanations on actual performance and significant variances against budgets are provided to the Board on a quarterly basis. This helps the Board and senior management monitor the Group's business operations and plan on a timely basis to suit the changes in business environment;

- Each operating company maintains internal controls and procedures appropriate to its structure and business environment whilst complying with the Group's policies, standards and guidelines;

- The Group maintains appropriate insurance programmes in order to provide sufficient insurance coverage on its major assets and against libel suits that could result in material loss. The insurance brokers assist management in conducting a yearly risk assessment on the Group's operations, which helps the Group in assessing the adequacy of the insurance coverage;

Statement on
Risk Management and Internal Control

- The Board reviews all areas of significant financial risk and approves all significant capital projects and investments after detailed review and consideration;
- The Group has established IT Services Continuity Plans in key business units primarily aimed to handle potential IT service interruptions;
- The Group has established a Crisis Management Team in a key business unit to manage and handle significant risks or crisis faced by the business unit;
- The treasury department manages the cash balances and exposure to currency transaction risks through treasury policies, risk limits and monitoring procedures;
- Code of ethics are established and adhered to by all employees to ensure high standards of conduct and ethical values in all business practices; and
- The legal department monitors compliance with relevant laws and regulations which govern the Group's businesses.

WHISTLEBLOWING POLICY

The Group has a whistleblowing policy approved by the Board. The policy outlines the Group's commitment towards enabling its employees to raise concerns about possible improprieties in financial reporting, internal controls or other matters within the Group. Proper arrangements have been put in place for fair and independent investigation of such matters and for appropriate follow-up actions. All matters reported will be investigated and handled with strict confidentiality. The effectiveness of this policy is monitored and reviewed regularly by the Audit Committee.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and internal control activities to ensure that necessary actions have been or are being taken to rectify inadequacy or weaknesses identified during the year.

The Board has also received reasonable assurance from the Group CEO and Head of Finance that the Group's system of risk management and internal control, in all material aspects, is operating adequately and effectively. For the financial year under review and up to the date of this Statement, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

In this connection, the Board concludes that an effective system of risk management and internal control is in place to safeguard the shareholders' investment and the Group's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITOR

The external auditor has reviewed this Statement for inclusion in the Group's Annual Report for the financial year ended 31 March 2019. The external auditor has reported to the Board that nothing has come to its attention that causes it to believe that this Statement is inconsistent with its understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's system of risk management and internal control.

This Statement on Risk Management and Internal Control was approved by the Board on 28 May 2019.

Audit
Committee Report

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2019.

COMPOSITION AND ATTENDANCE

The Audit Committee comprises three members who are all independent non-executive directors and each of whom satisfies the "independence" requirements contained in both the Bursa Securities Listing Requirements and the HK Listing Rules. No alternate director is appointed as a member of the Audit Committee. The Audit Committee Chairman, Mr YU Hon To, David, is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Hong Kong Institute of Certified Public Accountants. Accordingly, the Company has complied with paragraph 15.09 of the Bursa Securities Listing Requirements.

Details of the composition of the Audit Committee and the attendance of each member during the year are set out below:

Name of member	**Number of meetings attended**	**Percentage of attendance (%)**
Mr YU Hon To, David *(Chairman)*	4/4	100%
Datuk CHONG Kee Yuon	4/4	100%
Mr KHOO Kar Khoon	4/4	100%

Through an annual Board Committee effectiveness assessment, the Board is satisfied that the Audit Committee and its members have discharged their duties and responsibilities in accordance with their terms of reference.

MEETINGS

The Audit Committee held a total of four meetings during the year. The meetings were appropriately structured through the use of agendas, which had been distributed to the members with sufficient notification. The Group CEO, the relevant executive directors, Head of Internal Audit, external auditor and senior finance executives who were responsible for the accounting and financial reporting function also attended and briefed the Audit Committee on specific issues.

The meetings were minuted and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation. The Chairman of the Audit Committee would provide a report highlighting significant issues and recommendations to the Board for consideration and decision.

All members of the Audit Committee have and will continue to undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, corporate governance, practices and rules. Details of the training programmes and seminars attended by the members are set out on page 51 of this Annual Report.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are available on the Company's website at www.mediachinesegroup.com.

Audit
Committee Report

SUMMARY OF ACTIVITIES

Below is a summary of the Audit Committee's activities in discharging its functions and duties for the year under review:

Financial Reporting

(a) Reviewed the Group's unaudited quarterly financial reports, including the press releases and announcements, focusing particularly on changes in accounting standards, significant and unusual matters, compliance with accounting standards and other statutory and regulatory requirements before recommending to the Board for approval and public release.

The Group's unaudited quarterly financial reports for the fourth quarter of 2017/2018 and for the first, second, third and fourth quarters of 2018/2019 were reviewed at the Audit Committee meetings on 24 May 2018, 28 August 2018, 28 November 2018, 21 February 2019 and 23 May 2019 respectively.

(b) Reviewed the annual financial statements of the Group with the external auditor prior to submission to the Board for approval. The Audit Committee deliberated the significant judgements with management and significant matters highlighted by the external auditor on accounting and auditing matters.

(c) Reviewed the Group's annual report for the financial year ended 31 March 2018, interim report for the six months ended 30 September 2018 and annual report for the financial year ended 31 March 2019 at the Audit Committee meetings on 24 May 2018, 28 November 2018 and 23 May 2019 respectively, prior to submission to the Board for approval.

(d) Reviewed the going concern basis applied for preparing the Group's consolidated financial statements. The Audit Committee's assessment was based on reports by management and took note of the principal risks and uncertainties, the Group's existing financial position, its financial resources, capital expenditures and expectation for future performance.

Internal audit

(a) Reviewed and approved the risk-based annual internal audit plan and budget for the financial year ended 31 March 2019 on 28 August 2018. The annual plan was developed through a comprehensive planning process to ensure the principal risk areas were adequately covered in the plan.

(b) Reviewed and deliberated on issues highlighted by the Internal Audit Function on effectiveness and adequacy of governance, risk management, operational and compliance processes.

(c) Reviewed the recommendations by the Internal Audit Function and appraised the corrective actions taken by management in resolving the audit issues reported as well as ensuring that all issues were adequately addressed on a timely basis.

(d) Reviewed the adequacy of resources required and competency of the Internal Audit Function to execute the audit plan.

External audit

(a) Reviewed with the external auditor the audit plan, strategy and scope of statutory audit of the Group's consolidated financial statements for the financial year ended 31 March 2019 on 28 November 2018.

(b) Reviewed the audit findings and issues arising from the annual audit together with management's response to the findings of the external auditor.

On 23 May 2019, the Audit Committee reviewed the external auditor's report with regard to the key audit matter and other relevant disclosures in the annual financial statements for the financial year ended 31 March 2019.

(c) Reviewed the audit fees proposed by the external auditor together with management and recommended the negotiated fees agreed with the external auditor to the Board for approval.

(d) Assessed the qualification, expertise, resources and effectiveness of the external auditor.

(e) Reviewed the performance and assessed the independence, objectivity and suitability of the external auditor and the services provided, including non-audit services. Non-audit fees totalling US$52,000 were paid to the external auditor and its other member firms for the financial year ended 31 March 2019 for the corporate tax advisory and planning services provided.

(f) Reviewed the written assurance from the external auditor on 28 November 2018 to confirm on its independence throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

(g) Had two private meetings with the external auditor on 28 November 2018 and 23 May 2019 respectively, in the absence of the executive directors and management, to discuss matters concerning audit and financial statements. The Audit Committee also enquired on the proficiency and adequacy of resources in the financial reporting functions, evaluation of the internal control system and any other observations they may have had during the audit process.

Risk Management

(a) Reviewed the adequacy and effectiveness of the risk management system.

(b) Reviewed the risk assessment reports submitted by the Group Executive Committee on key risks faced by the Group. Significant risk issues were summarised and communicated to the Board.

(c) Reviewed the risk assessment reports and risk management activities of the Group.

Related party transactions

(a) Reviewed the related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group on quarterly basis and ensured all transactions were carried out on an arm's length basis and on normal commercial terms.

(b) Reviewed the circular to shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.

Others

(a) Reviewed the Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2018/19.

(b) Received and reviewed updates on the arrangement (including investigation and follow-up action) for employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls or other matters through the whistle-blowing policy adopted by the Group.

(c) Reviewed the training programs for staff in the Group's accounting, internal audit and financial reporting functions.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit Function in discharging its duties and responsibilities. The Internal Audit Function, being the third line of defence, provides independent assessments on the adequacy and effectiveness of governance, risk management and internal control processes of the Group. The Audit Committee approved the Internal Audit Charter, which sets out its role, scope, authority and responsibility to ensure the Internal Audit Function is independent and able to function effectively.

The Internal Audit Function reports functionally to the Audit Committee. The Audit Committee reviewed the adequacy of scope, functions, competency and resources of the Internal Audit Function during the year. Further information on resources, objectivity and independence of the Internal Audit Function are provided in the Corporate Governance Overview Statement in accordance with Practice 10.2 of the Malaysian Code.

The Internal Audit Function adopts a risk-based methodology in planning and conducting audits so that relevant controls addressing key risks areas are identified and assessed on a timely basis. Audit engagements are performed with impartiality, proficiency and due professional care. Internal audit reports were presented to the Audit Committee incorporating the findings, recommendations and management's responses to the findings. The relevant management members were made responsible for ensuring that corrective actions on reported weaknesses were implemented within the required timeframe. The Internal Audit Function carries out follow-up reviews to obtain updates on the progress of the remedial actions and reports the status to the Audit Committee. During the financial year, the Internal Audit Function reviewed the Group's sales and marketing activities, talent management programs, risk management and follow-up review for the Group's printing plants operation.

The related party transactions and recurrent related party transactions (or continuing connected transactions) entered into by the Group were reviewed by the Internal Audit Function on a quarterly basis.

The total costs incurred for the Internal Audit Function of the Group for the financial year ended 31 March 2019 were approximately US$155,000.

This Audit Committee Report was approved by the Board on 28 May 2019.

The directors submit their report together with the audited financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are the publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries.

The activities of the Company's principal subsidiaries are set out in Note 39 to the financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2019 is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Sustainability Report", "Corporate Governance Overview Statement", "Statement on Risk Management and Internal Control" and "Five-Year Financial Summary" on pages 12 to 14, pages 15 to 18, pages 29 to 44, pages 45 to 66, pages 68 to 72 and page 174 respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 89.

A first interim dividend in respect of the current year of US0.18 cents (2017/2018: US0.25 cents) per ordinary share totalling US$3,037,000 (2017/2018: US$4,218,000) was paid on 28 December 2018.

On 28 May 2019, the Board declared a second interim dividend of US0.10 cents (2017/2018: US0.18 cents) per ordinary share in lieu of a final dividend for the year ended 31 March 2019, totalling US$1,687,000 (2017/2018: US$3,037,000), payable on 12 July 2019.

Further details of the dividends of the Company are set out in Note 14 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately US$11,000.

SHARES ISSUED DURING THE YEAR

The Company has not issued any shares during the year ended 31 March 2019. Details of the share capital information of the Company are set out in Note 30 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2019, calculated under the Companies Act 1981 of Bermuda, amounted to US$196,724,000 (2018: US$158,791,000).

Report of the Directors

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last 5 financial years is set out on page 174.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries had purchased, sold or the Company had redeemed any of the Company's listed securities during the year.

DIRECTORS

The directors during the year and up to the date of this report were:

Non-executive Directors

Dato' Sri Dr TIONG Ik King *(Non-executive Chairman)*
Tan Sri Datuk Sir TIONG Hiew King *(resigned on 1 April 2019)*

Executive Directors

Ms TIONG Choon
Mr TIONG Kiew Chiong *(Group Chief Executive Officer)*
Mr LEONG Chew Meng

Independent Non-executive Directors

Mr YU Hon To, David
Datuk CHONG Kee Yuon
Mr KHOO Kar Khoon

In accordance with Bye-Law 99(A) of the Company's Bye-Laws, Mr LEONG Chew Meng, Mr YU Hon To, David and Mr KHOO Kar Khoon will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In addition, pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017, the retention of Mr YU Hon To, David, who has served the Company for more than 9 years as an INED, shall be subject to shareholders' approval at the forthcoming annual general meeting.

The Company has received from each of the INEDs a written annual confirmation of independence pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Bursa Securities Listing Requirements and considers all the INEDs to be independent.

COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 8.10 of the HK Listing Rules.

Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are the substantial shareholders and directors of the Company, and both of them hold directorships and/or ownerships in Pacific Star Limited and R.H. Tours & Travel Agency Sdn Bhd. In addition, Ms TIONG Choon is a director of the Company and R.H. Tours & Travel Agency Sdn Bhd. She has deemed interest in Pacific Star Limited by virtue of her shareholdings in Sin Chew Press Agencies Sdn Bhd and is the publishing and printing licence holder of Sin Chew Daily (Cambodia) Limited. Pacific Star Limited and Sin Chew Daily (Cambodia) Limited are engaged in the businesses of newspapers publishing in Papua New Guinea and Cambodia respectively. R.H. Tours & Travel Agency Sdn Bhd is engaged in the travel and travel related services business in Malaysia. As the Board of Directors of the Company is independent of the boards of the aforesaid companies, the Group operates its business independently of, and at arm's length from, the businesses of the aforesaid companies.

Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are also deemed interested in One Media, a subsidiary of the Company which is listed on the HK Stock Exchange. In addition, Tan Sri Datuk Sir TIONG Hiew King, Ms TIONG Choon and Mr TIONG Kiew Chiong are directors of the Company and One Media. One Media Group is engaged in media business in the Greater China region, including but not limited to magazine publishing and digital media business. As the contents and demographic readership of the publications of the Group and those of One Media Group are different, the directors consider that there is a clear delineation and no competition between the businesses of the Group and One Media Group and that the Group is carrying on its business independently of, and at arm's length from, One Media Group.

Save as disclosed above, none of the directors of the Company has any interest in a business which competes or is likely to compete with the business of the Group during the year.

DIRECTORS' SERVICE CONTRACTS

Each of the directors has entered into an appointment letter with the Company for a term of 2 years commencing from 1 April 2018 until 31 March 2020, except for Mr LEONG Chew Meng and Ms TIONG Choon whose appointment with the Company commenced from 1 April 2019 to 31 March 2021.

Save as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting have service contracts with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the Corporate Governance Overview Statement under "Material Contracts" and "Recurrent Related Party Transactions of a Revenue or Trading Nature" on pages 64 to 66, and in Note 38 to the financial statements "Related Party Transactions", no transactions, arrangements or contracts of significance in relation to the Group's businesses to which the Company, any of its subsidiaries, its holding company or its fellow subsidiaries was a party and in which a director of the Company or his/her connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS HELD BY DIRECTORS, CHIEF EXECUTIVES AND THEIR ASSOCIATES

As at 31 March 2019, the interests and short positions of the directors, chief executives and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code are as follows:

(i) Interests and short positions in the shares, underlying shares and debentures of the Company

		Number of ordinary shares				
Name of director	Nature of interests	Held at 1 April 2018	Bought	Sold	Held at 31 March 2019	% of issued shares at 31 March 2019
Dato' Sri Dr TIONG Ik King	Personal interests	14,144,189	6,000,000	–	20,144,189	
	Corporate interests[1]	252,487,700	1,500,000	–	253,987,700	
		266,631,889	7,500,000	–	274,131,889	16.25%
Tan Sri Datuk Sir TIONG Hiew King	Personal interests	87,109,058	–	–	87,109,058	
(resigned on 1 April 2019)	Family interests[2]	234,566	–	–	234,566	
	Corporate interests[3]	766,734,373	26,406,297	–	793,140,670	
		854,077,997	26,406,297	–	880,484,294	52.19%
Ms TIONG Choon	Personal interests	2,654,593	–	–	2,654,593	
	Family interests[4]	1,023,632	–	–	1,023,632	
	Corporate interests[5]	653,320	–	–	653,320	
		4,331,545	–	–	4,331,545	0.26%
Mr TIONG Kiew Chiong	Personal interests	3,041,039	614,500	–	3,655,539	0.22%
Mr LEONG Chew Meng	Personal interests	80,000	–	–	80,000	–*

All the interests stated above represent long positions in the shares of the Company.

* negligible

Notes:

(1) Conch Company Limited ("Conch") holds 253,987,700 shares of the Company. 40% of the interest in Conch is held by Seaview Global Company Limited, a company jointly owned by Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King. In addition, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King directly hold 25% and 22% of the interest in Conch respectively.

(2) Tan Sri Datuk Sir TIONG Hiew King is deemed to be interested in the shares by virtue of his spouse's interest in 234,566 shares.

(3) The corporate interests of Tan Sri Datuk Sir TIONG Hiew King comprise:

(i) 296,463,556 shares held by Progresif Growth Sdn Bhd ("Progresif");
(ii) 253,987,700 shares held by Conch;
(iii) 75,617,495 shares held by Ezywood Options Sdn Bhd ("Ezywood");
(iv) 65,319,186 shares held by Teck Sing Lik Enterprise Sdn Bhd ("TSL");
(v) 52,875,120 shares held by Madigreen Sdn Bhd ("Madigreen");
(vi) 15,536,696 shares held by Rimbunan Hijau (Sarawak) Sdn Bhd ("RHS");
(vii) 6,532,188 shares held by Rimbunan Hijau Southeast Asia Sdn Bhd ("RHSA");
(viii) 26,808,729 shares held by Pertumbuhan Abadi Asia Sdn Bhd ("PAA").

Tan Sri Datuk Sir TIONG Hiew King directly holds 84% interest in TSL and 99.99% interest in PAA. In addition, Tan Sri Datuk Sir TIONG Hiew King, TSL and PAA directly and indirectly hold 52.38% interest in both RHS and RHSA, 75% interest in Madigreen, 45% interest in Progresif and 70% interest in Ezywood. The details of shares held by Conch are set out in note 1 above.

(4) Ms TIONG Choon is deemed to be interested in the shares by virtue of her spouse's interest in 1,023,632 shares.

(5) The corporate interests of 653,320 shares are held by TC Blessed Holdings Sdn Bhd, in which Ms TIONG Choon holds 99% equity interest.

(ii) Interests and short positions in the shares, underlying shares and debentures of One Media

		Number of shares			
Name of director	Nature of interests	Held at 1 April 2018	Bought/ (Sold)	Held at 31 March 2019	% of issued ordinary shares of One Media at 31 March 2019
Tan Sri Datuk Sir TIONG Hiew King *(resigned on 1 April 2019)*	Corporate interests[1]	292,700,000	–	292,700,000	73.01%
Dato' Sri Dr TIONG Ik King	Corporate interests[1]	292,700,000	–	292,700,000	73.01%
Ms TIONG Choon	Personal interests	26,000	–	26,000	0.01%

All the interests stated above represent long positions in the shares of One Media.

Note:

(1) Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in the 292,700,000 shares in One Media held by Comwell Investment Limited which is an indirect wholly-owned subsidiary of the Company. Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are deemed interested in 52.19% and 16.25% of the Company's shares respectively. Details of their shareholdings in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 80.

Save as disclosed above, as at 31 March 2019, none of the directors, chief executives and their associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), which are required to be recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and the HK Stock Exchange pursuant to the Model Code.

At no time during the year were rights to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company granted to any directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2019, the following persons (other than the directors and chief executives of the Company) had interests of 5% or more in the shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name of shareholder	Number of ordinary shares held	Percentage of issued ordinary shares
Progresif Growth Sdn Bhd ("Progresif") *(note 1)*	296,463,556	17.57%
Conch Company Limited ("Conch") *(note 2)*	253,987,700	15.05%

All the interests stated above represent long positions in the shares of the Company.

Notes:

(1) Tan Sri Datuk Sir TIONG Hiew King holds, directly and indirectly, 45% interest in Progresif.

(2) The details of shares held by Conch are set out in note 1 of paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations held by directors, chief executives and their associates" on page 80.

Save as disclosed above and those disclosed under "Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations held by Directors, Chief Executives and their Associates", the Company had not been notified of any other persons or corporations who had interests or short positions representing 5% or more of the issued share capital of the Company as at 31 March 2019.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 March 2019 are set out in Note 38 to the financial statements, all of which were carried out in the ordinary course of business and on normal commercial terms and did not constitute discloseable connected transactions or continuing connected transactions (as the case may be) under Chapter 14A of the HK Listing Rules.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

PENSION SCHEME ARRANGEMENT

Hong Kong

The Group operates a hybrid retirement benefit scheme (the "Scheme") and a Mandatory Provident Fund Scheme (the "MPF") for its employees in Hong Kong.

During the year, the Scheme was mainly funded by contributions from both the Group and its employees at 5% each of the monthly basic salaries of the employees. Actual contributions paid by the Group was about 4.5% of the monthly basic salaries of the employees, with the difference being funded by the forfeiture reserve. Forfeited employers' contributions arising from early termination of services by employees are credited to a forfeiture reserve for the purposes of funding the differences in the Group's contributions as aforesaid and for covering any shortfall on the defined benefit plans. The total amount available for such purposes amounted to US$73,000 at 31 March 2019 (2018: US$254,000).

The most recent independent funding actuarial valuation of the Scheme was carried out by Towers Watson Hong Kong Limited, a professionally qualified independent actuary, as at 31 March 2018 (the "Valuation"). According to the Valuation, the Scheme was solvent at the date of the Valuation.

With effect from 1 December 2000, all new employees of the Group are eligible to join the MPF. The Group's contributions to the MPF are at 5% of the employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK$1,500 per employee per month (the "MPF Contributions"). The MPF Contributions are fully and immediately vested in the employees as accrued benefit once they are paid.

Malaysia

The Group operates 2 types of retirement benefit schemes in Malaysia:

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the consolidated statement of profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

(b) Defined benefit plans

The Group operates an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme"). The Group's obligation under the Malaysia Scheme is calculated using the projected unit credit method, and is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Other countries

Employees in other countries are under separate pension schemes which are defined contribution plans set up in the countries that the Group operates.

The assets of all retirement plans are held separately from those of the Group in independently administered funds. The defined benefit plans and defined contribution plans are generally funded by payments from the relevant Group companies and/or their respective employees.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's 5 largest customers accounted for less than 30% of the total sales for the year. The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

— the largest supplier	16%
— 5 largest suppliers combined	31%

As at 31 March 2019, Tan Sri Datuk Sir TIONG Hiew King and Dato' Sri Dr TIONG Ik King are both directors and shareholders of the Company. They are also shareholders of R.H. Development Corporation Sdn Bhd and Rimbunan Hijau Estate Sdn Bhd, each of which directly held 5.67% interests in the largest supplier, Malaysian Newsprint Industries Sdn Bhd ("MNI"). Both R.H. Development Corporation Sdn Bhd and Rimbunan Hijau Estate Sdn Bhd disposed of their respective interests in MNI in May 2018.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-Laws and there is no restriction against such rights under the laws of Bermuda.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, it is confirmed that there is sufficient public float of not less than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this Annual Report, as required under the HK Listing Rules and Bursa Securities Listing Requirements.

PERMITTED INDEMNITY

The Bye-Laws of the Company provide that the directors for the time being of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices except such (if any) as they shall incur or sustain through their own willful neglect or default respectively.

The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the directors of the Company and its subsidiaries.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year and subsisted at the end of the year.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2019 are set out in Note 27 to the financial statements.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

TIONG Kiew Chiong
Director
28 May 2019

羅兵咸永道

To the Shareholders of Media Chinese International Limited

(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Media Chinese International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 89 to 172, which comprise:

- the consolidated statement of financial position as at 31 March 2019;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to Goodwill impairment assessment.

Key Audit Matter	How our audit addressed the Key Audit Matter

Goodwill impairment assessment
 	
Refer to Note 4 (Critical accounting estimates and judgements) and Note 19 (Intangible assets) to the consolidated financial statements
 	
As at 31 March 2019, the Group had goodwill with carrying amount of US$14,748,000, before impairment provision for current year, arising from the acquisition of certain equity interests of Sin Chew Media Corporation Berhad ("Sin Chew") in 2008. As required by IAS 36 "Impairment of assets", an impairment review is performed on goodwill at least annually or when there is an indicator of impairment.
 	
In carrying out the impairment assessment of goodwill, management determined the recoverable amount based on the higher of fair value less cost of disposal ("FVLCD") and value-in-use ("VIU") calculations of the cash-generating unit ("CGU"). In the absence of a market comparable, management adopted the income approach and used discounted cash flow forecast ("DCF") to determine the recoverable amount of the CGU under both VIU and FVLCD methods and considered the recoverable amount under the VIU method to be higher.
 	
Preparation of DCF required the use of many assumptions and management exercised significant judgements in determining these assumptions. Key assumptions adoption and judgements exercised in the preparation of the DCF included:
 	
— print advertising revenue growth rate; and
 	
— discount rates
 	
The recoverable amount of the CGU determined based on the DCF was lower than the carrying amount, and therefore, a further provision for impairment of US$14,748,000 was required to write down the above goodwill to zero as at 31 March 2019.
 	
We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in determining the recoverable amount of the CGU to which the goodwill is associated.
	We tested management's impairment review of goodwill by assessing the DCF used in the calculation as set out below:
	
	— Comparing the key input data in management's DCF to the Board's approved budget and the business plan.
	
	— Assessing the methodology adopted and the mathematical accuracy of the underlying DCF calculations.
	
	— Assessing the reasonableness of management's key assumptions adopted and judgements exercised in its DCF in relation to:
	
	    — print advertising revenue growth rate by comparing them to historical performance and business plan, as well as benchmarking against industry and market forecast; and
	
	    — discount rates by comparing with the cost of capital of comparable companies with assistance of our own valuation specialists.
	
	Based on the procedures performed, we found the key assumptions adopted and estimates made by management to be supportable based on the evidence we gathered.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. WONG Ka Keung Johnny.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 June 2019

Consolidated
Statement of Profit or Loss

		Year ended 31 March	
		2019	2018
	Note	**US$'000**	US$'000
Turnover	*5*	**285,560**	284,963
Cost of goods sold	*8*	**(194,458)**	(185,638)
Gross profit		**91,102**	99,325
Other income	*6*	**7,931**	7,850
Other gains, net	*7*	**107**	2,912
Selling and distribution expenses	*8*	**(48,403)**	(52,264)
Administrative expenses	*8*	**(29,568)**	(30,363)
Other operating expenses	*8*	**(9,826)**	(10,911)
Operating profit before provision for impairment of goodwill		**11,343**	16,549
Provision for impairment of goodwill	*19*	**(15,227)**	(20,709)
Operating loss		**(3,884)**	(4,160)
Finance costs	*9*	**(2,653)**	(2,793)
Share of post-tax results of joint ventures and associates	*12*	**–**	79
Loss before income tax		**(6,537)**	(6,874)
Income tax expense	*10*	**(5,179)**	(5,331)
Loss for the year		**(11,716)**	(12,205)
Loss attributable to:			
Owners of the Company		**(11,293)**	(11,485)
Non-controlling interests		**(423)**	(720)
		(11,716)	(12,205)
Loss per share attributable to owners of the Company			
Basic (US cents)	*11*	**(0.67)**	(0.68)
Diluted (US cents)	*11*	**(0.67)**	(0.68)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated
Statement of Comprehensive Income

	Year ended 31 March	
	2019	2018
	US$'000	US$'000
Loss for the year	**(11,716)**	(12,205)
Other comprehensive (loss)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation differences	**(8,653)**	21,645
Currency translation differences released upon disposal of subsidiaries	**215**	–
Fair value change on available-for-sale financial assets	**–**	5,883
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income *(Note 13)*	**(5,939)**	–
Remeasurements of post-employment benefit obligations	**251**	(304)
Other comprehensive (loss)/income for the year, net of tax	**(14,126)**	27,224
Total comprehensive (loss)/income for the year	**(25,842)**	15,019
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(23,836)**	14,108
Non-controlling interests	**(2,006)**	911
	(25,842)	15,019

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated
Statement of Financial Position

	Note	As at 31 March 2019 US$'000	As at 31 March 2018 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*17*	**79,209**	94,253
Investment properties	*18*	**20,913**	16,437
Intangible assets	*19*	**9,141**	26,863
Deferred income tax assets	*20*	**224**	243
Financial assets at fair value through other comprehensive income	*13*	**3,044**	–
Available-for-sale financial assets	*13*	**–**	8,979
Investments accounted for using the equity method	*12*	**–**	143
Other non-current financial assets		**–**	129
		112,531	147,047
Current assets			
Inventories	*23*	**24,869**	17,648
Available-for-sale financial assets	*13*	**–**	96
Financial assets at fair value through profit or loss	*21*	**444**	361
Trade and other receivables	*24*	**35,945**	44,820
Income tax recoverable		**637**	1,550
Short-term bank deposits	*25*	**5,951**	18,312
Cash and cash equivalents	*25*	**69,204**	101,923
		137,050	184,710
Current liabilities			
Trade and other payables	*26*	**32,796**	51,753
Contract liabilities	*5*	**18,858**	–
Income tax liabilities		**853**	773
Bank and other borrowings	*27*	**19,912**	68,447
Current portion of other non-current liabilities	*28*	**45**	78
		72,464	121,051
Net current assets		**64,586**	63,659
Total assets less current liabilities		**177,117**	210,706

Consolidated
Statement of Financial Position

	Note	As at 31 March 2019 US$'000	As at 31 March 2018 US$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*30*	**21,715**	21,715
Share premium	*30*	**54,664**	54,664
Other reserves	*32*	**(113,173)**	(100,380)
Retained earnings	*33*	**204,553**	221,670
		167,759	197,669
Non-controlling interests		**2,062**	4,099
Total equity		**169,821**	201,768
Non-current liabilities			
Deferred income tax liabilities	*20*	**5,967**	7,405
Other non-current liabilities	*28*	**1,329**	1,533
		7,296	8,938
		177,117	210,706

The consolidated financial statements and supplementary information on pages 89 to 172 were approved by the Board of Directors on 28 May 2019 and were signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated
Statement of Changes in Equity

	Note	Attributable to owners of the Company						
		Share capital	Share premium	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	Note	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 April 2017		21,715	54,664	(126,266)	243,581	193,694	3,621	197,315
Loss for the year		–	–	–	(11,485)	(11,485)	(720)	(12,205)
Other comprehensive income/(loss)								
Items that may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	21,591	–	21,591	54	21,645
Fair value change on available-for-sale financial assets		–	–	4,295	–	4,295	1,588	5,883
Item that will not be reclassified subsequently to profit or loss:								
Remeasurements of post-employment benefit obligations		–	–	–	(293)	(293)	(11)	(304)
Other comprehensive income/(loss), net of tax		–	–	25,886	(293)	25,593	1,631	27,224
Total comprehensive income/(loss) for the year ended 31 March 2018		–	–	25,886	(11,778)	14,108	911	15,019
Total transactions with owners, recognised directly in equity								
2016/2017 second interim dividend paid	*14*	–	–	–	(6,074)	(6,074)	–	(6,074)
2017/2018 first interim dividend paid	*14*	–	–	–	(4,218)	(4,218)	–	(4,218)
2016/2017 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	(4)	(4)
2017/2018 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	–*	–*
Transaction with non-controlling interests	*31*	–	–	–	159	159	(429)	(270)
		–	–	–	(10,133)	(10,133)	(433)	(10,566)
At 31 March 2018		21,715	54,664	(100,380)	221,670	197,669	4,099	201,768

* *negligible*

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the Company						
		Share capital US$'000	Share premium US$'000	Other reserves US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2018		21,715	54,664	(100,380)	221,670	197,669	4,099	201,768
Loss for the year		–	–	–	(11,293)	(11,293)	(423)	(11,716)
Other comprehensive (loss)/income								
Items that have been reclassified or may be reclassified subsequently to profit or loss:								
Currency translation differences		–	–	(8,617)	–	(8,617)	(36)	(8,653)
Currency translation differences released upon disposal of subsidiaries		–	–	157	–	157	58	215
Items that will not be reclassified subsequently to profit or loss								
Fair value change on financial assets at fair value through other comprehensive income		–	–	(4,333)	–	(4,333)	(1,606)	(5,939)
Remeasurements of post-employment benefit obligations		–	–	–	250	250	1	251
Other comprehensive (loss)/income, net of tax		–	–	(12,793)	250	(12,543)	(1,583)	(14,126)
Total comprehensive loss for the year ended 31 March 2019		–	–	(12,793)	(11,043)	(23,836)	(2,006)	(25,842)
Total transactions with owners, recognised directly in equity								
2017/2018 second interim dividend paid	*14*	–	–	–	(3,037)	(3,037)	–	(3,037)
2018/2019 first interim dividend paid	*14*	–	–	–	(3,037)	(3,037)	–	(3,037)
2017/2018 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	–*	–*
2018/2019 interim dividend paid by an unlisted subsidiary		–	–	–	–	–	(31)	(31)
		–	–	–	(6,074)	(6,074)	(31)	(6,105)
At 31 March 2019		21,715	54,664	(113,173)	204,553	167,759	2,062	169,821

* *negligible*

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated
Statement of Cash Flows

	Note	Year ended 31 March 2019 US$'000	2018 US$'000
Cash flows from operating activities			
Cash generated from operations	*34(a)*	**23,631**	32,448
Interest paid		**(2,886)**	(2,840)
Income tax paid		**(5,350)**	(7,617)
Net cash generated from operating activities		**15,395**	21,991
Cash flows from investing activities			
Dividends received		**149**	298
Decrease/(increase) in short-term bank deposits with original maturity over three months		**12,361**	(8,226)
Interest received		**2,984**	2,443
Proceeds from disposal of property, plant and equipment	*34(b)*	**64**	35
Proceeds from disposal of subsidiaries and joint ventures		**10**	–
Purchases of intangible assets	*19*	**(291)**	(150)
Purchases of investment properties	*18*	**(4,652)**	–
Purchases of other non-current financial assets		**–**	(115)
Purchases of property, plant and equipment	*17*	**(1,387)**	(743)
Net cash generated from/(used in) investing activities		**9,238**	(6,458)
Cash flows from financing activities			
Dividends paid	*14*	**(6,074)**	(10,292)
Dividends paid to non-controlling interests by an unlisted subsidiary		**(31)**	(4)
Proceeds from bank and other borrowings		**22,896**	19,489
Repayments of bank and other borrowings		**(67,988)**	(12,294)
Transaction with non-controlling interests	*31*	**–**	(270)
Net cash used in financing activities		**(51,197)**	(3,371)
Net (decrease)/increase in cash and cash equivalents		**(26,564)**	12,162
Cash and cash equivalents at beginning of year		**101,923**	79,946
Exchange adjustments on cash and cash equivalents		**(6,155)**	9,815
Cash and cash equivalents at end of year	*25*	**69,204**	101,923

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 GENERAL INFORMATION

Media Chinese International Limited (the "Company") is a limited liability company incorporated in Bermuda. Its registered address is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is an investment holding company. The principal activities of its subsidiaries are publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and the provision of travel and travel related services in Hong Kong, Taiwan, North America, Malaysia and other Southeast Asian countries. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange") since 22 March 1991 and subsequently dual-listed on Bursa Malaysia Securities Berhad ("Bursa Securities") on 30 April 2008.

These consolidated financial statements are presented in US dollars ("US$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 May 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively the "Group") have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") and under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New and amended standards and interpretations to existing standards adopted by the Group

The following new and amended standards, which became effective for the first time for the financial year beginning on or after 1 April 2018, have been adopted by the Group:

(i) Amendments to IFRS 2, "Classification and measurement of share-based payment transactions"
(ii) Amendments to IFRS 4, "Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts"
(iii) New standard IFRS 9, "Financial instruments"
(iv) New standard IFRS 15, "Revenue from contracts with customers"
(v) Amendments to IFRS 15, "Clarification to IFRS 15"
(vi) Interpretations IFRIC 22, "Foreign currency transactions and advance consideration"
(vii) Amendments to IAS 40, "Transfer of investment property"
(viii) Annual improvement, "Annual improvements to IFRSs 2014–2016 cycle"

The impact of the adoption of IFRS 9 and IFRS 15 are disclosed in note 2.2 below. The other new standards did not have any material impact on the Group's accounting policies and did not require retrospective adjustments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards and interpretations that have been issued but are not yet effective and have not been early adopted by the Group

		Effective for annual periods beginning on or after
Annual improvement	Annual improvements to IFRSs 2015–2017 cycle	1 January 2019
Amendments to IAS 19	Plan amendments, curtailment or settlement	1 January 2019
Amendments to IAS 28	Long-term interests in associates and joint ventures	1 January 2019
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to IFRS 9	Prepayment features with negative compensation	1 January 2019
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective Date to be determined
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting	1 January 2020
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance contracts	1 January 2021
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

IFRS 16 Leases

IFRS 16 was issued in January 2016. It will result in almost all major leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others. Under IFRS 16, principal portion of lease payments in relation to lease liability will be presented as financing cash flows.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

(b) New and amended standards and interpretations that have been issued but are not yet effective and have not been early adopted by the Group *(Continued)*

IFRS 16 Leases (Continued)

Impact

As at 31 March 2019, the Group had non-cancellable operating lease commitments of US$4,417,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and the Group will recognise a right-of-use asset and corresponding liability in respect of all these leases unless they qualify for low value or short-term lease upon the application of IFRS 16. In addition, the application of these new requirements may result in changes to measurement, presentation and disclosures. The Group has assessed the impact of the adoption of IFRS 16 on the Group's results and it is expected that right-of-use assets and lease liabilities of these lease commitments will be required to be recognised in the Group's consolidated statement of financial position.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other new, amended or revised IFRSs and interpretations that are not yet effective and that would be expected to have a material impact on the Group.

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in the prior periods.

(a) IFRS 9 Financial Instruments — Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 "Financial Instruments — Disclosures".

The adoption of IFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the Group's consolidated financial statements. The new accounting policies are set out in note 2.2(a)(i), 2.2(a)(ii) and 2.11(a). In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. As a consequence, any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the differences recognised in opening retained earnings. Provision for impairment have not been restated in the comparative period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15 *(Continued)*

(a) IFRS 9 Financial Instruments — Impact of adoption *(Continued)*

(i) Classification and measurement

On 1 April 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models and contractual terms of the cash flows apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories, which are those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortised cost. The main effects resulting from these reclassification changes are as follows:

		Non-current assets		Current assets	
	Note	**Financial assets at fair value through other comprehensive income US$'000**	**Available-for-sale financial assets US$'000**	**Financial assets at fair value through profit or loss US$'000**	**Available-for-sale financial assets US$'000**
Closing balance 31 March 2018 – IAS 39		**–**	**8,979**	**361**	**96**
Reclassify investments from available-for-sale financial assets ("AFS") to financial assets at fair value through profit or loss ("FVTPL")	*(1)*	–	–	96	(96)
Reclassify investments from AFS to financial assets at fair value through other comprehensive income ("FVOCI")	*(2)*	8,979	(8,979)	–	–
Opening balance 1 April 2018 – IFRS 9		**8,979**	**–**	**457**	**–**

The impact of these changes on the Group's equity is as follows:

	Note	**Effect on AFS reserve US$'000**	**Effect on FVOCI reserve US$'000**
Closing balance 31 March 2018 — IAS 39		**4,295**	**–**
Reclassify investments from AFS to FVOCI	*(2)*	(4,295)	4,295
Opening balance 1 April 2018 — IFRS 9		**–**	**4,295**

Notes:

(1) Reclassification from AFS to FVTPL

Certain investment in unlisted club debentures was reclassified from AFS to FVTPL (US$96,000 as at 1 April 2018). They do not meet the IFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

(2) Reclassification from AFS to FVOCI

The Group elected to present in other comprehensive income ("OCI") changes in the fair value of certain equity investments previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of US$8,979,000 were reclassified from AFS to FVOCI and related fair value gains were reclassified from the AFS reserve to the FVOCI reserve on 1 April 2018.

(3) Other financial assets

Other listed equity securities that are held for trading are required to be classified as FVTPL under IFRS 9. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15 *(Continued)*

(a) IFRS 9 Financial Instruments — Impact of adoption *(Continued)*

(ii) Impairment of financial assets

The Group has the following financial assets at amortised cost that are subject to IFRS 9's new expected credit loss ("ECL") model:

- Trade and other receivables

The Group was required to revise its impairment methodology under IFRS 9 for the class of assets above.

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group applied different expected loss rates to different classes of trade receivables according to their respective risk characteristics and the days past due. Other financial assets at amortised cost include other receivables. The Group has applied the ECL model to other receivables as at 1 April 2018 and the change in impairment methodologies did not have any material impact on the Group's consolidated financial statements and the opening loss allowance is not restated in this respect.

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

(b) IFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in IFRS 15, the Group has elected to use a modified retrospective approach for the transition which allows the Group to recognise the cumulative effects of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as at 1 April 2018.

The accounting policies were changed to comply with IFRS 15, which replaces the provisions of IAS 18 Revenue and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15 *(Continued)*

(b) IFRS 15 Revenue from Contracts with Customers — Impact of adoption *(Continued)*

The effects of the adoption of IFRS 15 are as follows:

(i) Presentation of contract asset and contract liability

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under IFRS 15.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group's contract liabilities represented payments received by the Group in advance for subscription of its publications and customer deposits received by its tour operations, which the Group will recognise as revenue when the publications are delivered and the travel services are provided to the customers. These were previously recorded as receipts in advance and were classified under "trade and other payables".

The adoption of IFRS 15 does not have a significant impact on how the Group recognises revenue and there is no impact of transition to IFRS 15 on the Group's retained earnings at 1 April 2018.

(ii) Accounting for publishing and printing business

In prior reporting periods, the Group accounted for revenue from publishing and printing business when significant risks and rewards of ownership have been transferred. There is a change in accounting policy upon adoption of IFRS 15.

Under IFRS 15, advertising income, net of trade discounts, is recognised over time when the newspapers and magazines are published.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised at a point in time when control of goods is transferred to the customer, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

(iii) Accounting for travel and travel related services

In prior reporting periods, the Group accounted for revenue from tour operations based on the percentage of completion of the travel and travel related services rendered. There is a change in accounting policy upon adoption of IFRS 15.

Under IFRS 15, revenue for package tours is recognised over time in which the control of services is transferred to the customer as the customer simultaneously receives and consumes the benefit provided by the Group.

Revenue from the provision of ancillary travel related products and services, sales of air tickets, hotel accommodation and hotel packages is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers. The Group is the agent in these transactions and the revenue is recognised on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Impact on the financial statements from the adoption of IFRS 9 and IFRS 15 *(Continued)*

(b) IFRS 15 Revenue from Contracts with Customers — Impact of adoption *(Continued)*

The impact on the Group's financial position by the application of IFRS 15 is as follows:

	As at 1 April 2018		
Consolidated statement of financial position (extract)	**As previously reported US$'000**	**Reclassification under IFRS 15 US$'000**	**As restated US$'000**
Trade and other payables	51,753	(18,443)	33,310
Contract liabilities	–	18,443	18,443
	51,753	–	51,753

2.3 Subsidiaries

(a) Consolidation

A subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.3 Subsidiaries *(Continued)*

(a) Consolidation *(Continued)*

(i) Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent lender under comparable terms and conditions.

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2.9). If the total of consideration transferred, non-controlling interest recognised and acquisition-date fair value of any previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated unless the transaction provides evidence of an impairment of the transferred asset. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Joint arrangements and associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or board representation.

Investments in joint arrangements are reclassified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures and associates are accounted for using the equity method of accounting. Under the equity method of accounting, the interests are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investment in joint ventures and associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture or an associate, any difference between the cost of the joint venture and the Group's share of net fair value of the joint venture's or associate's identifiable assets and liabilities is accounted for as goodwill.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of loss in a joint venture or associate equals or exceeds its interest in the joint venture or associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.10.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint ventures and associates are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint ventures and associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who has been identified as the Group Executive Committee, is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The functional currency of the Company is Malaysian Ringgit ("RM"). However, each entity within the Group can present its financial statements in any currency, which can be the same or different from the entity's functional currency. As the Group operates internationally, management considers that it is more appropriate to use US$, a globally recognised currency, as the presentation currency for the Group's consolidated financial statements. For the entity whose functional currency is not US$, its results and financial position have been translated into US$.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Foreign currency translation *(Continued)*

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Other gains/(losses), net'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;

(ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in joint ventures or associates that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated currency translation differences is reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.7 Property, plant and equipment

Freehold land is not amortised. Buildings situated on freehold land are stated at cost and are depreciated on a straight-line basis over their expected useful lives to the Group. The principal annual rates used for this purpose range from 2% to 5%.

Buildings situated on leasehold land and held for own use are stated at cost and are depreciated on a straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose range from 2% to 5%.

Leasehold land held for own use under a finance lease is stated at cost and amortised over the period of the lease on a straight-line basis.

Plant and equipment, comprising leasehold improvements, furniture, fixtures, office equipment, machinery, printing equipment and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses. Construction in progress is stated at cost less accumulated impairment losses.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the assets' costs to their residual values over their estimated useful lives as follows:

Leasehold land classified as finance lease	Shorter of remaining lease term of 29 to 84 years and useful life
Leasehold improvements	Shorter of remaining lease term of 3 to 10 years and useful life
Furniture, fixtures and office equipment	2 to 13 years
Machinery and printing equipment	
Printing equipment	10 to 20 years
Machinery	5 to 10 years
Motor vehicles	3 to 10 years

The assets' depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating expenses" in the consolidated statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group. Land held under operating leases is accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of profit or loss as part of a valuation gain or loss in "Other gains/(losses), net".

2.9 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, joint ventures and associates and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the business combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Other intangible assets

Other intangible assets primarily comprise costs of computer softwares, archives, mastheads, publishing rights and broadcast licence that are acquired by the Group and are stated at cost less accumulated amortisation.

Amortisation of other intangible assets is charged to the consolidated statement of profit or loss on a straight-line basis over the assets' estimated useful lives. Other intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Archives, mastheads, publishing rights	10–40 years
Computer softwares	5–10 years
Broadcast licence	3 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life, i.e. goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

(a) IFRS 9 Financial Instruments — Accounting policies applied from 1 April 2018

Classification

From 1 April 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

(a) IFRS 9 Financial Instruments — Accounting policies applied from 1 April 2018 *(Continued)*

Classification (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment losses are presented as a separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented within "Other gains/(losses), net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of FVTPL are recognised in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date — the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets expire, or when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Impairment

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.11 Financial assets *(Continued)*

(b) Accounting policies applied until 31 March 2018

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost and fair value through other comprehensive income. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amount that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "Trade and other receivables" *(Note 2.14)*, "Short-term bank deposits and cash and cash equivalents" *(Note 2.15)* in the consolidated statement of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of each reporting period.

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the assets. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments expire, or when the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "Financial assets at fair value through profit or loss" category are presented in the consolidated statement of profit or loss within "Other gains/(losses), net".

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale financial assets are recognised in other comprehensive income.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. See note 2.11(a) for a description of the Group's impairment policies.

2.15 Short-term bank deposits and cash and cash equivalents

In the consolidated statement of cash flows and consolidated statement of financial position, cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments with original maturities of three months or less.

In the consolidated statement of financial position, short-term bank deposits include bank deposits with original maturities of more than three months.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.20 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company, its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates and joint arrangements. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is a deferred income tax liability not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax jurisdiction on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. These schemes are generally funded through payments to insurance companies or trustee-administered funds and, where applicable, determined by periodic actuarial calculations. The Group has both defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate publicly or privately administered pension insurance plan on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions once the fixed contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group's defined contribution plans cover eligible employees in Hong Kong, North America, Malaysia and other Southeast Asian countries.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of the defined benefit pension plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligations are calculated by independent actuaries using the projected unit credit method, by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods, using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations. For a currency that has no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency shall be used.

The current service cost of the defined benefit plans (recognised as employee benefit expense in the consolidated statement of profit or loss), except where included in the cost of an asset, reflects the increase in the defined benefit obligations resulting from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurements arising from defined benefit plans are recognised in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/asset).

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated statement of profit or loss.

The Group's defined benefit plans cover eligible employees in Hong Kong and Malaysia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.21 Employee benefits *(Continued)*

(a) Pension obligations *(Continued)*

Defined benefit plans (Continued)

(i) The defined benefit plan for the Group's employees in Hong Kong is funded by means of an independent pension fund. The liability recognised in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the end of each reporting period less the fair value of the plan assets. Defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future benefits that employees have earned in return for their services in the current and prior periods by reference to market yields of Hong Kong Government's Exchange Fund Notes and Government Bonds, which are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligations.

(ii) The defined benefit plan for the Group's employees in Malaysia is not funded. The Group's obligation under the plan, calculated using the projected unit credit method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that the employees have earned in return for their services in the current and prior years is estimated. The benefit is discounted based on the interest rates of high-quality corporate bonds in order to determine its present value.

(b) Profit sharing and bonus plans

The expected cost of profit sharing and bonus plans is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by the employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 12 months of the end of each reporting period and are measured at the amounts expected to be paid when they are settled.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Long service payments and severance payments

The Group's net obligation in respect of long service payments and severance payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of benefits that the employees have earned in return for their services in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at the end of each reporting period of Hong Kong Government's Exchange Fund Notes and Government Bonds, which are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligations. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in other comprehensive income in the year in which they occur.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

The Group does not recognise liabilities for financial guarantees at inception, but performs a liability adequacy test at each reporting date by comparing the carrying amount of the net liability regarding the financial guarantee with its present legal or constructive obligation amount. If the carrying amount of the net liability is less than its present legal or constructive obligation amount, the entire difference is recognised in the consolidated statement of profit or loss immediately as an expense.

2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, business tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised when or as the control of goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

Advertising income, net of trade discounts, is recognised over time when the relevant advertisement in newspapers and magazines are published and the Group has an enforceable right to payment for performance completed to date.

Revenue from the circulation and subscription sales of newspapers, magazines and books, net of trade discounts and returns, is recognised at a point in time when control of goods transferred to customers, which generally coincides with the date of delivery. Unearned subscription fees received from subscribers are recorded as contract liabilities in the consolidated statement of financial position.

Revenue for package tours is recognised over time in which the control of services is transferred to the customer because the customer simultaneously receives and consumes benefit provided by the Group's performance as it performs. Payment is made to the Group before the customers enjoy the tour services.

Revenue from the provision of ancillary travel related products and services, sales of air tickets, hotel accommodation and hotel packages is recognised at a point in time when the booking services or tickets are delivered to and have been accepted by the customers. The Group is the agent in these transactions and the revenue is recognised on a net basis.

Revenue from scrap sales of old newspapers and magazines is recognised at a point in time on the date of delivery.

Licence fees and royalty income are recognised on an accrual basis in accordance with the terms of the relevant agreements.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Management fee income is recognised on an accrual basis or a straight-line basis over the management service period.

Operating lease rental income is recognised in equal instalments over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.25 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of leases at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease is depreciated over the shorter of the useful life of the asset and the lease term.

2.26 Dividend distribution

Dividend distributions to owners of the Company are recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are declared by the directors in the case of interim and special dividends or approved by the Company's shareholders in the case of final dividends.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the management according to the policies of the Group. The Group's management identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Price risk

The Group is exposed to price risk for its listed equity securities and unlisted club debentures which are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Management adopts the quoted market prices as its best estimate of the fair values of such securities and unlisted club debentures. Details are set out in Notes 13 and 21. Management monitors the market conditions and securities price fluctuations so as to minimise adverse effects on the Group.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Interest rate risk

The Group's cash balances are placed with authorised financial institutions, which generate interest income for the Group. They are exposed to the cash flow interest rate risk. The Group manages this risk by placing deposits at various maturities and interest rate terms.

The Group's bank borrowings are exposed to risk arising from changing interest rates. Bank borrowings at variable rates expose the Group to cash flow interest rate risk. The Group manages this risk by maintaining an appropriate mix of fixed and floating rate borrowings.

To evaluate the sensitivity of the Group's profit before income tax to possible changes in interest rates, the impact of an interest rate change was modeled on the floating rate of bank borrowings while all other variables were held constant. Based on these assumptions, a hypothetical increase of 1% per annum in interest rates would have increased the Group's loss before income tax for the year ended 31 March 2019 by approximately US$199,000 (2018: approximately US$102,000).

(iii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RM, Canadian dollars ("CAD"), Hong Kong dollars ("HK$") and US$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. At 31 March 2019, if US$ had weakened/strengthened by 5% against RM with all other variables held constant, other comprehensive income for the year would have been approximately US$7,524,000 higher/lower, as a result of the foreign exchange difference on translation of RM denominated assets and liabilities.

The assets and liabilities of each entity within the Group are mostly denominated in its own functional currency and do not have material currency impact on the consolidated statement of profit or loss for the year.

For operations in Malaysia, most of the transactions are denominated in RM. The Group had purchased forward contracts during the year ended 31 March 2019 for hedging purposes. The Group is closely monitoring the currency exchange risk of RM and is looking for any opportunities to mitigate the currency exchange risk of RM.

For operations in Canada, most of the transactions are denominated in CAD. No financial instruments were used for hedging purposes during the year. The Group is closely monitoring the currency exchange risk of CAD and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Hong Kong, most of the transactions are denominated in HK$ and US$. The exchange rate of US$ against HK$ is relatively stable and the related currency exchange risk is considered minimal.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk

Credit risk is the risk of a loss resulting from the failure of one of the Group's counterparties to discharge its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information.

The provision for loss allowance is based on the payment profiles of trade receivables, trade receivable ageing and geographical locations, ranged from 0.1% to 58.7%.

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial.

The Group maintains cash and cash equivalents and short-term bank deposits with reputable financial institutions from which management believes the risk of loss to be remote. The management assesses the credit quality of outstanding cash and cash equivalents and short-term bank deposits balances as high and considers there is no individually significant exposure. Maximum exposure to credit risk at the reporting date is the carrying amount of the cash at banks.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient banking facilities and cash and cash equivalents, which are generated from the operating cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Repayable on demand US$'000	**Within 1 year US$'000**	**Total US$'000**
Bank borrowings	**6,395**	**13,598**	**19,993**
Trade and other payables	**–**	**31,823**	**31,823**
As at 31 March 2019	**6,395**	**45,421**	**51,816**

	Repayable on demand US$'000	Within 1 year US$'000	Total US$'000
Medium-term notes	–	60,765	60,765
Bank borrowings	–	10,301	10,301
Bank and other borrowings	–	71,066	71,066
Trade and other payables	–	31,817	31,817
As at 31 March 2018	–	102,883	102,883

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net gearing ratio. This ratio is calculated as net debt over owners' equity. Net debt is calculated as total borrowings less short-term bank deposits and cash and cash equivalents. Owners' equity represents equity attributable to owners of the Company as shown in the consolidated statement of financial position.

During the year ended 31 March 2019, the Group's strategy was to maintain a net gearing ratio below 40% (2018: below 40%).

As at 31 March 2019, the Group's total amount of bank and other borrowings were less than cash and cash equivalents and short-term bank deposits, net gearing ratio was nil (2018: same).

3.3 Fair value estimation

For financial instruments that are measured at fair value, the Group classifies fair value measurements using a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets that are measured at fair value at 31 March 2019:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss				
Listed equity securities	**348**	**–**	**–**	**348**
Unlisted club debentures	**–**	**–**	**96**	**96**
Financial assets at fair value through other comprehensive income				
Listed equity securities	**3,044**	**–**	**–**	**3,044**
	3,392	**–**	**96**	**3,488**

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

The following table presents the Group's assets that are measured at fair value at 31 March 2018:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss				
Listed equity securities	361	–	–	361
Available-for-sale financial assets				
Unlisted club debentures	–	–	96	96
Listed equity securities	8,979	–	–	8,979
	9,340	–	96	9,436

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

There was no transfer between level 1 and level 2 of the fair value hierarchy during the year. There was no change during the year attributable to level 3 of the fair value hierarchy.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.9(a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Changing the assumptions selected by the Group to determine the level, if any, of impairment, including the discount rate or the growth rate assumptions, could significantly affect the Group's reported financial position and results of operations. The key assumptions used are set out in Note 19.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

(c) Deferred income tax assets

Management has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the recognition criteria for deferred income tax assets recorded in relation to cumulative tax loss carried forwards. The assumptions regarding future profitability of various subsidiaries and agreed tax losses with the tax authorities require significant judgement, and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial condition and results of operations.

(d) Fair value of investment properties

Investment properties are stated at fair values which have been determined by accredited independent valuers. The best evidence of fair value is current prices in active market for the properties with similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. Details of the judgements and assumptions are disclosed in Note 18.

(e) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different from those previously estimated. It will also write off or write down non-strategic assets that have been abandoned or sold.

5 TURNOVER AND SEGMENT INFORMATION

The Group Executive Committee is the Group's chief operating decision-maker. Management has determined the operating segments based on the reports that are reviewed and used by the Group Executive Committee for strategic decisions making.

The Group is organised operationally on a worldwide basis in four major operating segments:

Publishing and printing: Malaysia and other Southeast Asian countries
Publishing and printing: Hong Kong and Taiwan
Publishing and printing: North America
Travel and travel related services

Publishing and printing segments are engaged in the publication, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language. The segments derive revenue mainly from the provision of advertising services and sales of newspapers and magazines. Travel and travel related services segment derives revenue from the sales of travel packages and provision of tour services.

The Group Executive Committee assesses the performance of the operating segments based on a measure of segment profit before income tax as presented in the internal financial report. Other information provided is measured in a manner consistent with that in the internal financial report.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2019, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	129,906	50,654	13,397	193,957	91,603	285,560
Segment (loss)/profit before income tax	(2,215)	(3,394)	(2,267)	(7,876)	4,579	(3,297)
Unallocated finance costs						(2,404)
Other net unallocated expenses						(836)
Loss before income tax						(6,537)
Income tax expense						(5,179)
Loss for the year						(11,716)
Other segmental information:						
Interest income	2,902	16	9	2,927	57	2,984
Finance costs	(71)	(178)	–	(249)	–	(249)
Depreciation of property, plant and equipment	(5,801)	(1,218)	(253)	(7,272)	(36)	(7,308)
Amortisation of intangible assets	(701)	(187)	(8)	(896)	(33)	(929)
Provision for impairment of intangible assets	(476)	–	–	(476)	–	(476)
Provision for impairment of property, plant and equipment	(2,750)	–	–	(2,750)	–	(2,750)
Provision for impairment of goodwill	(15,227)	–	–	(15,227)	–	(15,227)

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The Group's turnover and results for the year ended 31 March 2018, analysed by operating segment, are as follows:

	Publishing and printing					
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Total US$'000
Turnover	142,848	51,583	15,662	210,093	74,870	284,963
Segment(loss)/profit before income tax	(2,959)	(585)	(2,533)	(6,077)	2,361	(3,716)
Unallocated finance costs						(2,594)
Other net unallocated expenses						(564)
Loss before income tax						(6,874)
Income tax expense						(5,331)
Loss for the year						(12,205)
Other segmental information:						
Interest income	2,356	31	21	2,408	35	2,443
Finance costs	(131)	(68)	–	(199)	–	(199)
Depreciation of property, plant and equipment	(6,497)	(1,283)	(302)	(8,082)	(72)	(8,154)
Amortisation of intangible assets	(720)	(194)	(13)	(927)	(35)	(962)
Provision for impairment of intangible assets	(949)	–	–	(949)	–	(949)
Provision for impairment of property, plant and equipment	(5,146)	–	–	(5,146)	–	(5,146)
Provision for impairment of goodwill	(20,709)	–	–	(20,709)	–	(20,709)
Share of post-tax results of joint ventures and associates	–	79	–	79	–	79

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

Disaggregation of revenue

Turnover is derived from publishing, printing and distribution of newspapers, magazines, books and digital contents primarily in the Chinese language, and provision of travel and travel related services.

Turnover recognised during the year is disaggregated as follows:

	2019 **US$'000**	2018 US$'000
By major products or service lines		
Timing of revenue recognition		
At a point in time		
Sales of newspapers, magazines, books and digital contents, net of trade discounts and returns	**64,865**	64,091
Travel and travel related services income	**1,000**	1,202
Over time		
Advertising income, net of trade discounts	**129,092**	146,002
Travel and travel related services income	**90,603**	73,668
	285,560	284,963

(i) Liabilities related to contracts with customers

	2019 **US$'000**
Contract liabilities related to publishing and printing segment	**6,272**
Contract liabilities related to travel and travel related services segment	**12,586**
Contract liabilities	**18,858**

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year.

	2019 **US$'000**
Revenue recognised in the current year that was included in the contract liabilities balance at the beginning of the year	
— publishing and printing segment	**5,868**
— travel and travel related services segment	**11,961**
	17,829

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2019 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong and Taiwan US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	**168,760**	**42,672**	**10,562**	**221,994**	**26,435**	**(270)**	**248,159**
Unallocated assets							**1,422**
Total assets							**249,581**
Total assets include:							
Additions to non-current assets (other than deferred income tax assets)	**5,892**	**376**	**44**	**6,312**	**18**	**–**	**6,330**
Segment liabilities	**(19,186)**	**(30,300)**	**(6,384)**	**(55,870)**	**(15,985)**	**270**	**(71,585)**
Unallocated liabilities							**(8,175)**
Total liabilities							**(79,760)**

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

The segment assets and liabilities as at 31 March 2018 are as follows:

	Publishing and printing						
	Malaysia and other Southeast Asian countries US$'000	Hong Kong, Taiwan and Mainland China US$'000	North America US$'000	Sub-total US$'000	Travel and travel related services US$'000	Elimination US$'000	Total US$'000
Segment assets	244,775	49,690	11,705	306,170	23,321	(96)	329,395
Unallocated assets							2,362
Total assets							331,757
Total assets include:							
Investments accounted for using the equity method	–	143	–	143	–	–	143
Additions to non-current assets (other than deferred income tax assets)	678	9,240	41	9,959	28	–	9,987
Segment liabilities	(23,626)	(16,536)	(7,100)	(47,262)	(14,711)	96	(61,877)
Unallocated liabilities							(68,112)
Total liabilities							(129,989)

The elimination between segments represents intercompany receivables and payables between segments.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, FVOCI, investments accounted for using the equity method, other non-current financial assets, inventories, trade and other receivables, short-term bank deposits, and cash and cash equivalents. They mainly exclude deferred income tax assets, FVTPL and income tax recoverable of the Group.

Segment liabilities consist primarily of trade and other payables, contract liabilities, retirement benefit obligations, defined benefit plan liabilities, bank and other borrowings and other non-current liabilities. They mainly exclude medium-term notes issued by the Company *(Note 27(b))*, deferred income tax liabilities and income tax liabilities of the Group.

5 TURNOVER AND SEGMENT INFORMATION *(Continued)*

As at 31 March 2019 and 2018, the Group's total non-current assets, other than deferred income tax assets, analysed by operating countries, are as follows:

	2019	2018
	US$'000	US$'000
Malaysia and other Southeast Asian countries	**88,942**	116,256
Hong Kong and Taiwan	**16,533**	23,676
Other countries	**6,832**	6,872
	112,307	146,804

6 OTHER INCOME

	2019	2018
	US$'000	US$'000
Dividend income	**17**	16
Interest income	**2,984**	2,443
Licence fee and royalty income	**176**	159
Other media-related income	**1,596**	1,759
Rental and management fee income	**829**	814
Scrap sales of old newspapers and magazines	**2,255**	2,556
Others	**74**	103
	7,931	7,850

7 OTHER GAINS, NET

	2019 US$'000	2018 US$'000
Gain on deemed disposal of interest in an associate	–	2,716
Fair value gains on investment properties, net	516	239
Fair value (losses)/gains on financial assets at fair value through profit or loss, net	(12)	18
Fair value losses on other non-current financial assets	(121)	–
Losses on disposal of subsidiaries and joint ventures	(218)	–
Net exchange losses	(58)	(61)
	107	2,912

8 EXPENSES BY NATURE

	2019 US$'000	2018 US$'000
Amortisation of intangible assets *(Note 19)*	929	962
Auditor's remuneration		
Audit services	572	659
Non-audit services	52	273
Depreciation of property, plant and equipment *(Note 17)*	7,308	8,154
Direct costs of travel and travel related services	77,800	63,728
Employee benefit expense (including directors' emoluments) *(Note 15)*	87,515	91,171
Losses/(gains) on disposal of property, plant and equipment, net *(Note 34(b))*	2,013	(19)
Provision for impairment of property, plant and equipment *(Note 17)*	2,750	5,146
Provision for loss allowance and write-off of trade and other receivables	290	75
Provision for impairment and write-off of inventories	227	268
Provision for impairment of intangible assets *(Note 19)*	476	949
Operating lease expenses		
Land and buildings	2,260	2,328
Machinery	15	16
Raw materials and consumables used	43,107	44,493
Other expenses	56,941	60,973
Total cost of goods sold, selling and distribution expenses, administrative expenses and other operating expenses	282,255	279,176

9 FINANCE COSTS

	2019 US$'000	2018 US$'000
Interest expense on medium-term notes	**2,404**	2,594
Interest expense on bank borrowings	**249**	199
	2,653	2,793

10 INCOME TAX EXPENSE

Income tax for the Group's Hong Kong operations has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit derived from Hong Kong for the year. Income tax for the Group's Malaysian operations is calculated at the rate of 24% (2018: 24%) on the estimated assessable profit derived from Malaysia for the year. Taxation on other countries' profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense in the consolidated statement of profit or loss represents:

	2019 US$'000	2018 US$'000
Hong Kong taxation		
Current year	**663**	536
Over provision in prior years	**(15)**	(19)
Malaysian taxation		
Current year	**5,219**	6,695
(Over)/under provision in prior years	**(17)**	115
Other countries' taxation		
Current year	**474**	284
Under/(over) provision in prior years	**6**	(244)
Deferred income tax credit	**(1,151)**	(2,036)
	5,179	5,331

10 INCOME TAX EXPENSE *(Continued)*

Reconciliation between tax expense and accounting loss at applicable tax rates:

	2019 **US$'000**	2018 US$'000
Loss before income tax	**(6,537)**	(6,874)
Tax calculated at domestic tax rates applicable to profits in the respective countries	**(594)**	(763)
Tax effects of:		
Income not subject to tax	**(371)**	(740)
Expenses not deductible for tax purposes	**4,743**	5,429
Temporary differences not recognised	**159**	16
Tax losses not recognised	**1,238**	1,537
Over provision in prior years	**(26)**	(148)
Withholding tax on profit distribution from the Group's subsidiaries	**30**	–
Income tax expense	**5,179**	5,331

11 LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	2019	2018
Loss attributable to owners of the Company *(US$'000)*	**(11,293)**	(11,485)
Weighted average number of ordinary shares in issue	**1,687,236,241**	1,687,236,241
Basic loss per share *(US cents)*	**(0.67)**	(0.68)
Diluted loss per share *(US cents)*	**(0.67)**	(0.68)

The diluted loss per share is the same as the basic loss per share as there were no dilutive potential shares in issue during the years ended 31 March 2019 and 2018.

12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Movements in the interests in joint ventures and associates are as follows:

	2019 US$'000	2018 US$'000
As at 1 April	**143**	731
Share of post-tax results	**–**	79
Dividends received from an associate/joint ventures *(note)*	**(132)**	(282)
Derecognition of investment in an associate	**–**	(380)
Currency translation differences	**(1)**	(5)
Disposal of interests in joint ventures	**(10)**	–
As at 31 March	**–**	143

Note: Chu Kong Culture Media Company Limited ("Chu Kong") is an investment holding company and the principal activities of its wholly-owned subsidiary, Connect Media Company Limited, include but not limited to video programs, posters, seat covers, hull advertising, light box advertisement and e-commerce on the transportation vehicles and their terminals. The Group's investment in Chu Kong was classified as a joint venture during the current and prior years.

On 5 December 2018, the Group entered into an agreement with an independent third party to sell its entire equity interest in Chu Kong.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Financial assets at fair value through other comprehensive income

These comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

	Listed equity shares US$'000
Closing balance 31 March 2018 — IAS 39	**–**
Reclassify investments from available-for-sale financial assets to financial assets at fair value through other comprehensive income *(note)*	**8,979**
Opening balance 1 April 2018 — IFRS 9	**8,979**
Currency translation differences	**4**
Fair value losses charged to other comprehensive income	**(5,939)**
Closing balance 31 March 2019 *(note)*	**3,044**

In the prior financial year, the Group had designated equity investments as available-for-sale financial assets where management intended to hold them for the medium to long-term.

Note 2.2(a)(i) explains the change of accounting policy and the reclassification of certain equity investments from available-for-sale financial assets to financial assets at fair value through profit or loss. Note 2.11 sets out the details of accounting policies.

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(Continued)

(b) Financial assets previously classified as available-for-sale financial assets

Available-for-sale financial assets included the following classes of financial assets:

	Unlisted club debenture	Listed equity shares *(note)*	Total
	US$'000	US$'000	US$'000
As at 1 April 2017	97	–	97
Additions	–	3,096	3,096
Fair value gain credited to other comprehensive income	–	5,883	5,883
Currency translation differences	(1)	–	(1)
As at 31 March 2018	96	8,979	9,075
Adjustments on adoption of IFRS 9			
Reclassify investments from available-for-sale financial assets to financial assets at fair value through profit or loss	(96)	–	(96)
Reclassify investments from available-for-sale financial assets to financial assets at fair value through other comprehensive income	–	(8,979)	(8,979)
As at 1 April 2018	–	–	–

Note: The balance represents the fair value of the ordinary shares of Most Kwai Chung Limited which are listed on the Main Board of the HK Stock Exchange.

Gain or loss arising from changes in the fair value is recognised in "other comprehensive income" in the consolidated statement of comprehensive income. Details of the accounting treatment of available-for-sale financial assets are set out in the Group's accounting policies.

There were no impairment provisions on available-for-sale financial assets during the year ended 31 March 2018.

14 DIVIDENDS

	2019 US$'000	2018 US$'000
Dividends attributable to the year:		
First interim, paid, US0.18 cents (2017/2018: US0.25 cents) per ordinary share	**3,037**	4,218
Second interim, declared after the end of the reporting period, US0.10 cents (2017/2018: US0.18 cents) per ordinary share	**1,687**	3,037
	4,724	7,255
Dividends paid during the year:		
Second interim, 2017/2018, US0.18 cents (2016/2017: US0.36 cents) per ordinary share *(note (a))*	**3,037**	6,074
First interim, 2018/2019, US0.18 cents (2017/2018: US0.25 cents) per ordinary share *(note (b))*	**3,037**	4,218
	6,074	10,292

The Board of Directors has declared a second interim dividend of US0.10 cents (2017/2018: US0.18 cents) per ordinary share in respect of the year ended 31 March 2019. The dividend will be payable on 12 July 2019 to shareholders whose names appear on the register of members of the Company at the close of business on 20 June 2019 in cash in RM or in Hong Kong Dollar ("HK$") at the average exchange rates used during the year ended 31 March 2019 for the translation of the results of the subsidiaries whose functional currencies are not US$. No tax is payable on the dividend declared by the Company to be received by shareholders in Malaysia as it is income from foreign source in accordance with paragraph 28 of Schedule 6 of Malaysian Income Tax Act 1967. This interim dividend has not been recognised as a dividend payable in these consolidated financial statements.

The average exchange rates used during the year ended 31 March 2019 of US$ to RM and US$ to HK$, and the amount of the second interim dividend payable are as follows:

	Exchange rates	**Dividend per ordinary share**
US$ to RM	4.0692	0.407 sen
US$ to HK$	7.8312	HK0.783 cents

Notes:

(a) The second interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000 in respect of the year ended 31 March 2018, was paid on 13 July 2018.

(b) The first interim dividend of US0.18 cents per ordinary share, totaling US$3,037,000 in respect of the year ended 31 March 2019, was paid on 28 December 2018.

15 EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2019 US$'000	2018 US$'000
Pension costs — defined benefit plans *(Note 29(b))*	**150**	162
Pension costs — defined contribution plans	**6,392**	7,787
Retirement benefit obligations *(Note 28)*	**(9)**	49
Wages and salaries	**69,599**	72,770
Unutilised annual leave	**(84)**	(47)
Other staff costs	**11,467**	10,450
	87,515	91,171

16 BENEFITS AND INTERESTS OF DIRECTORS

(a) The remuneration of every director and chief executive for the years ended 31 March 2019 and 2018 is set out below:

Name of Director	Fees US$'000	Salaries US$'000	Bonuses US$'000	Cash allowance US$'000	Other benefits in kind US$'000 *(note (i))*	Employer's contributions to pension schemes US$'000	Total US$'000
Non-executive director							
Tan Sri Datuk Sir TIONG Hiew King *(note (ii))*	24	–	–	–	–	–	24
Non-executive Chairman and non-executive director							
Dato' Sri Dr TIONG Ik King	38	–	–	1	–	–	39
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong *(note (iii))*	17	326	36	–	44	29	452
Executive directors							
Ms TIONG Choon *(note (iv))*	76	–	–	–	–	–	76
Mr LEONG Chew Meng	–	156	23	–	3	28	210
Independent non-executive directors							
Mr YU Hon To, David *(note (v))*	54	–	–	–	–	–	54
Datuk CHONG Kee Yuon	21	–	–	1	–	–	22
Mr KHOO Kar Khoon	21	–	–	1	–	–	22
Total for the year ended 31 March 2019	251	482	59	3	47	57	899

16 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) *(Continued)*

Name of Director	Fees US$'000	Salaries US$'000	Bonuses US$'000	Cash allowance US$'000	Other benefits in kind US$'000 *(note (i))*	Employer's contributions to pension schemes US$'000	Total US$'000
Group Executive Chairman and executive director							
Tan Sri Datuk Sir TIONG Hiew King *(note (ii))*	151	132	43	–	–	–	326
Group Chief Executive Officer and executive director							
Mr TIONG Kiew Chiong *(note (iii))*	17	313	10	–	41	16	397
Executive directors							
Ms TIONG Choon *(note (iv))*	26	–	–	–	–	–	26
Mr NG Chek Yong *(note (vi))*	–	166	–	–	2	20	188
Mr LEONG Chew Meng	–	153	20	–	6	27	206
Non-executive directors							
Dato' Sri Dr TIONG Ik King	21	–	–	1	–	–	22
Ms TIONG Choon	5	–	–	–	–	–	5
Independent non-executive directors							
Mr YU Hon To, David *(note (v))*	54	–	–	–	–	–	54
Datuk CHONG Kee Yuon	21	–	–	2	–	–	23
Mr KHOO Kar Khoon	21	–	–	2	–	–	23
Total for the year ended 31 March 2018	316	764	73	5	49	63	1,270

Notes:

(i) Other benefits in kind included housing, use of company cars, air tickets for home trips, insurance coverage and club membership.

(ii) The director's fee for Tan Sri Datuk Sir TIONG Hiew King included his fee as a non-executive director of One Media Group Limited ("One Media") in the amount of Nil (2018: US$11,000).

(iii) The remuneration of Mr TIONG Kiew Chiong included his fee as an executive director of One Media in the amount of US$17,000 (2018: US$17,000).

(iv) The remuneration of Ms TIONG Choon included her fee as a non-executive director of One Media in the amount of US$17,000 (2018: US$6,000).

(v) The director's fee for Mr YU Hon To, David included his fee as an independent non-executive director of One Media in the amount of US$23,000 (2018: US$23,000).

(vi) For the year ended 31 March 2018, the remuneration of Mr NG Chek Yong included a gratuity payment of US$43,000 received upon the termination of his employment.

(vii) No director waived any emoluments and no emoluments were paid to the directors as an inducement fee to join or as compensation for loss of office during the years ended 31 March 2019 and 2018.

(b) Directors' retirement and termination benefits

Save as disclosed in note (a)(vi) above, no retirement and termination benefits were paid to or receivable by any director during the years ended 31 March 2019 and 2018 in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

16 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services during the years ended 31 March 2019 and 2018.

(d) Information about loans, quasi-loans and other dealings entered into by the Company and its subsidiary undertakings, where applicable, in favour of the directors

There were no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected parties during the years ended 31 March 2019 and 2018.

(e) Directors' material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2019 and 2018.

(f) The 5 highest paid individuals during the year included 1 (2018: 2) executive director whose emoluments is reflected in the analysis presented in (a). The emoluments paid to the remaining 4 (2018: 3) individuals during the year are as follows:

	2019	2018
	US$'000	US$'000
Fees	**17**	17
Salaries	**944**	738
Bonuses	**53**	61
Other benefits in kind	**2**	2
Employer's contributions to pension schemes	**9**	6
	1,025	824

The emoluments of the 4 (2018: 3) individuals fall within the following bands:

	Number of individuals	
	2019	2018
From US$191,273 to US$255,030 (equivalent to HK$1,500,001 to HK$2,000,000)	**3**	1
From US$255,031 to US$318,788 (equivalent to HK$2,000,001 to HK$2,500,000)	**1**	2
	4	3

17 PROPERTY, PLANT AND EQUIPMENT

	Property											
	Freehold land and buildings outside Hong Kong US$'000	Long-term leasehold land outside Hong Kong US$'000	Long-term buildings outside Hong Kong US$'000	Medium-term leasehold land in Hong Kong US$'000	Medium-term buildings in Hong Kong US$'000	Medium-term leasehold land outside Hong Kong US$'000	Medium-term buildings outside Hong Kong US$'000	Leasehold improvements, furniture, fixtures and office equipment US$'000	Machinery and printing equipment US$'000	Motor vehicles US$'000	Construction-in-progress US$'000	Total US$'000
At 31 March 2017												
Cost	19,949	1,684	4,039	15,349	8,769	11,918	19,740	32,873	102,968	2,291	111	219,691
Accumulated depreciation and impairment provision	(2,828)	(233)	(788)	(6,868)	(5,062)	(2,680)	(10,802)	(27,311)	(65,018)	(1,835)	–	(123,425)
Net book amount	17,121	1,451	3,251	8,481	3,707	9,238	8,938	5,562	37,950	456	111	96,266
Year ended 31 March 2018												
Opening net book amount	17,121	1,451	3,251	8,481	3,707	9,238	8,938	5,562	37,950	456	111	96,266
Additions	–	–	–	–	–	–	–	630	36	77	–	743
Currency translation differences	2,200	208	460	(82)	(37)	1,317	1,221	522	4,707	48	14	10,578
Reclassifications to intangible assets	–	–	–	–	–	–	–	–	–	–	(18)	(18)
Provision for impairment of property, plant and equipment	–	–	–	–	–	–	–	(14)	(5,125)	(7)	–	(5,146)
Disposals	–	–	–	–	–	–	–	(16)	–	–	–	(16)
Depreciation *(note (a))*	(266)	(29)	(139)	(280)	(241)	(242)	(958)	(1,547)	(4,283)	(169)	–	(8,154)
Closing net book amount	19,055	1,630	3,572	8,119	3,429	10,313	9,201	5,137	33,285	405	107	94,253
At 31 March 2018												
Cost	22,498	1,927	4,624	15,196	8,681	13,645	22,603	33,782	98,146	2,257	107	223,466
Accumulated depreciation and impairment provision	(3,443)	(297)	(1,052)	(7,077)	(5,252)	(3,332)	(13,402)	(28,645)	(64,861)	(1,852)	–	(129,213)
Net book amount	19,055	1,630	3,572	8,119	3,429	10,313	9,201	5,137	33,285	405	107	94,253
Year ended 31 March 2019												
Opening net book amount	**19,055**	**1,630**	**3,572**	**8,119**	**3,429**	**10,313**	**9,201**	**5,137**	**33,285**	**405**	**107**	**94,253**
Additions	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**760**	**34**	**123**	**469**	**1,387**
Currency translation differences	**(983)**	**(88)**	**(193)**	**(2)**	**(1)**	**(559)**	**(501)**	**(208)**	**(1,687)**	**(19)**	**(7)**	**(4,248)**
Reclassifications to intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4)**	**-**	**-**	**(44)**	**(48)**
Provision for impairment of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,750)**	**-**	**-**	**(2,750)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28)**	**(2,028)**	**(21)**	**-**	**(2,077)**
Depreciation *(note (a))*	**(271)**	**(28)**	**(141)**	**(277)**	**(240)**	**(250)**	**(977)**	**(1,338)**	**(3,650)**	**(136)**	**-**	**(7,308)**
Closing net book amount	**17,802**	**1,514**	**3,238**	**7,840**	**3,188**	**9,504**	**7,723**	**4,319**	**23,204**	**352**	**525**	**79,209**
At 31 March 2019												
Cost	**21,343**	**1,823**	**4,373**	**15,194**	**8,680**	**12,904**	**21,374**	**32,588**	**80,678**	**2,034**	**525**	**201,516**
Accumulated depreciation and impairment provision	**(3,541)**	**(309)**	**(1,135)**	**(7,354)**	**(5,492)**	**(3,400)**	**(13,651)**	**(28,269)**	**(57,474)**	**(1,682)**	**-**	**(122,307)**
Net book amount	**17,802**	**1,514**	**3,238**	**7,840**	**3,188**	**9,504**	**7,723**	**4,319**	**23,204**	**352**	**525**	**79,209**

Note:

(a) Depreciation expense of US$3,650,000 (2018: US$4,281,000) was included in "Cost of goods sold" and US$3,658,000 (2018: US$3,873,000) was included in "Other operating expenses" in the consolidated statement of profit or loss.

(b) As at 31 March 2019, properties with carrying value of US$3,045,000 (2018: Nil) were pledged as security for the Group's borrowings *(Note 35)*.

18 INVESTMENT PROPERTIES

	2019 US$'000	2018 US$'000
At 1 April	**16,437**	14,587
Addition	**4,652**	–
Fair value gains on investment properties, net *(Note 7)*	**516**	239
Currency translation differences	**(692)**	1,611
At 31 March	**20,913**	16,437

The fair value of the Group's investment properties is analysed as follows:

	2019 US$'000	2018 US$'000
In Malaysia, held on:		
Freehold	**4,614**	4,742
Leases of over 50 years	**5,024**	5,235
Leases of between 10 to 50 years	**7,375**	2,860
	17,013	12,837
In United States ("USA"), held on:		
Freehold	**3,900**	3,600
	20,913	16,437

Fair value hierarchy

	Fair value measurements at 31 March 2019 using		
Description	**Quoted prices in active markets for identical assets (Level 1) US$'000**	**Significant other observable inputs (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**
Recurring fair value measurements			
Malaysia	–	17,013	–
USA	–	–	3,900

There were no transfers between levels 1, 2 and 3 during the year.

18 INVESTMENT PROPERTIES *(Continued)*

Valuation processes and techniques

Independent valuations were performed by Raine & Horne International Zaki + Partners Sdn Bhd and Betsy Mak Appraisal Group LLC to determine the fair values of the Group's investment properties as at 31 March 2019 and 2018. The revaluation gains or losses were included in 'Other gains, net' in the consolidated statement of profit or loss *(Note 7)*.

For the properties in Malaysia, fair values of investment properties have been generally determined using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

For the property in the USA, the valuation was determined using income capitalisation approach and sales comparison approach based on significant unobservable inputs. These inputs included:

Future rental cash inflows	—	Based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts and external evidence such as current market rents for similar properties;
Estimated vacancy rates	—	Based on current and expected future market conditions after expiry of any current lease;
Maintenance costs	—	Including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	—	Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 March 2019 US$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Commercial building — USA	3,900	Income capitalisation approach and sales comparison approach	Rental value	US$275,467 per annum	The higher the rental value, the higher the fair value
			Capitalisation rate	4.75%	The higher the capitalisation rate, the lower the fair value
			Vacancy rate	2%–4%	The higher the vacancy rate, the lower the fair value
			Estimated expenses	US$25.07 per square foot	The higher the estimated expenses, the lower the fair value

There are inter-relationships between unobservable inputs. Estimated vacancy rates may impact the yield, with higher vacancy rates resulting in lower yields. An increase in future rental income may be linked with higher expenses. If the remaining lease term increases, the yield may decrease.

18 INVESTMENT PROPERTIES *(Continued)*

The following amounts have been recognised in the consolidated statement of profit or loss:

	2019	2018
	US$'000	US$'000
Rental income	**710**	718
Direct operating expenses arising from investment properties that generated rental income	**(168)**	(167)
	542	551

At 31 March 2019, the Group has future aggregate minimum rental receivables under non-cancellable operating leases as follows:

	2019	2018
	US$'000	US$'000
No later than one year	**326**	643
Later than one year and no later than five years	**242**	622
	568	1,265

18 INVESTMENT PROPERTIES *(Continued)*

Particulars of the Group's investment properties at fair values as at 31 March 2019 and 2018 are as follows:

	Location	Tenure/ Expiry of lease	Uses	2019 US$'000	2018 US$'000
1	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	Freehold	Office building and single storey factory building	**4,533**	4,659
2	No. 37-06, Prince Street, Flushing NY 11354, the USA	Freehold	Commercial building	**3,900**	3,600
3	PT12917 HS(D) 103390 (Ground Floor) Putra Indah A, Putra Nilai, 71800 Nilai, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Commercial building	**66**	67
4	V5-09-05, Block 5, Sri Palma Villa, Jalan KL-Seremban, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Freehold	Residential building (1 unit of service apartment)	**15**	16
5	No. 3, Lorong Kilang F, Kolombong, 88450 Kota Kinabalu, Sabah, Malaysia	Leasehold / 2920	Office building	**1,885**	1,942
6	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	Leasehold / 2105	Warehouse	**2,840**	2,977
7	AR09-F3A0, Ara Ria 09, Jalan UTL 9, Bandar University Teknologi Lagenda, 71700 Mantin, Negeri Sembilan Darul Khusus, Malaysia	Leasehold / 2099	Residential building	**15**	16
8	59-1-2, Jalan TMR 2, Taman Melaka Raya, 75000 Melaka, Malaysia	Leasehold / 2094	Commercial building	**284**	300
9	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Leasehold / 2063	Office building	**2,717**	2,860
10	19, Jalan Semangat, 46200 Petaling Jaya, Selangor, Malaysia	Leasehold / 2059	Office, factory building and warehouse	**4,658**	–
				20,913	16,437

19 INTANGIBLE ASSETS

	Archives, mastheads and publishing rights US$'000	Computer softwares US$'000	Broadcast licence US$'000	Sub-total US$'000	Goodwill US$'000 *(note (b))*	Total US$'000
At 1 April 2017						
Cost	21,182	6,191	137	27,510	48,526	76,036
Accumulated amortisation and impairment provision	(11,945)	(4,440)	(45)	(16,430)	(16,375)	(32,805)
Net book amount	9,237	1,751	92	11,080	32,151	43,231
Year ended 31 March 2018						
Opening net book amount	9,237	1,751	92	11,080	32,151	43,231
Additions	–	150	–	150	–	150
Reclassifications from property, plant and equipment	–	18	–	18	–	18
Amortisation expense *(note (a))*	(365)	(550)	(47)	(962)	–	(962)
Provision for impairment of mastheads *(note (c))*	(949)	–	–	(949)	–	(949)
Provision for impairment of goodwill	–	–	–	–	(20,709)	(20,709)
Currency translation differences	1,271	152	–	1,423	4,661	6,084
Closing net book amount	9,194	1,521	45	10,760	16,103	26,863
At 31 March 2018						
Cost	23,334	6,987	136	30,457	54,995	85,452
Accumulated amortisation and impairment provision	(14,140)	(5,466)	(91)	(19,697)	(38,892)	(58,589)
Net book amount	9,194	1,521	45	10,760	16,103	26,863
Year ended 31 March 2019						
Opening net book amount	**9,194**	**1,521**	**45**	**10,760**	**16,103**	**26,863**
Additions	**–**	**291**	**–**	**291**	**–**	**291**
Reclassifications from property, plant and equipment	**–**	**48**	**–**	**48**	**–**	**48**
Amortisation expense *(note (a))*	**(365)**	**(519)**	**(45)**	**(929)**	**–**	**(929)**
Provision for impairment of mastheads *(note (c))*	**(476)**	**–**	**–**	**(476)**	**–**	**(476)**
Provision for impairment of goodwill	**–**	**–**	**–**	**–**	**(15,227)**	**(15,227)**
Currency translation differences	**(502)**	**(51)**	**–**	**(553)**	**(876)**	**(1,429)**
Closing net book amount	**7,851**	**1,290**	**–**	**9,141**	**–**	**9,141**
At 31 March 2019						
Cost	**22,356**	**7,016**	**136**	**29,508**	**52,202**	**81,710**
Accumulated amortisation and impairment provision	**(14,505)**	**(5,726)**	**(136)**	**(20,367)**	**(52,202)**	**(72,569)**
Net book amount	**7,851**	**1,290**	**–**	**9,141**	**–**	**9,141**

19 INTANGIBLE ASSETS *(Continued)*

Notes:

(a) Amortisation expense of US$929,000 (2018: US$962,000) is included in "Other operating expenses" in the consolidated statement of profit or loss.

(b) Goodwill acquired through business combination is allocated to cash-generating units ("CGUs") for impairment testing. The allocation is made to those CGUs that are expected to benefit from the business combination.

The carrying amounts of goodwill are allocated to the following CGUs:

	2019	2018
	US$'000	US$'000
Sin Chew Media Corporation Berhad *(note (i))*	**–**	15,596
Mulu Press Sdn Bhd	**–**	470
Sinchew-i Sdn Bhd	**–**	37
	–	16,103

Note:

(i) 506,667,259 ordinary shares of HK$0.1 each were deemed to have been issued on 31 March 2008 for the acquisition of certain equity interest in Sin Chew Media Corporation Berhad ("SCMC") from its non-controlling shareholders. The purchase resulted in the Company recording a goodwill of US$49,018,000 as at 31 March 2008.

The recoverable amount of the SCMC CGU has been determined based on the income approach and discounted cash flow projections approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated without any growth rate. Management determined budgeted gross margin based on past performance and the Group's business plan. The discount rates used are pre-tax and reflect specific risks relating to the CGU. Based on management's assessment, the recoverable amount determined based on the fair value less cost of disposal calculation was lower than that based on the value-in-use calculation.

Key assumptions used for the calculations of the recoverable amount:

	Print advertising revenue growth rate		**Pre-tax discount rate**	
	2019	2018	**2019**	2018
Goodwill of SCMC	**–0.9% to –3.2%**	–4.5% to –7.5%	**14.5%**	13.5%

The recoverable amount of the SCMC CGU calculated based on the value-in-use calculation was approximately US$57,346,000, which was lower than the carrying amount of the CGU by approximately US$14,551,000. This was primarily attributable to weak advertising sentiments and more cautious spending by the advertisers. Management assessed that changes in key assumptions and estimates would have significant impact on the recoverable amount calculated. Hence, management further provided a provision for impairment of US$14,748,000 (2018: US$20,709,000).

(c) Mastheads represented the printing rights of certain publications owned by the Group. During the year, management considered that as some publications have been loss-making and the relevant operations were either terminated during the year or planned to be terminated in the foreseeable future, so the recoverable amount of the related mastheads with carrying value of US$476,000 were determined to be nil. As a result, a provision for impairment amounted to US$476,000 (2018: US$949,000) was recognised.

20 DEFERRED INCOME TAX

The analysis of deferred income tax assets and liabilities is as follows:

	2019 US$'000	2018 US$'000
Deferred income tax assets:		
to be recovered within 12 months	**(6)**	(23)
to be recovered after 12 months	**(218)**	(220)
	(224)	(243)
Deferred income tax liabilities:		
to be settled within 12 months	**667**	714
to be settled after 12 months	**5,300**	6,691
	5,967	7,405
Deferred income tax liabilities, net	**5,743**	7,162

Movements in net deferred income tax liabilities are as follows:

	2019 US$'000	2018 US$'000
At 1 April	**7,162**	8,396
Credited to the consolidated statement of profit or loss *(Note 10)*	**(1,151)**	(2,036)
Currency translation differences	**(268)**	802
At 31 March	**5,743**	7,162

20 DEFERRED INCOME TAX *(Continued)*

The components of deferred income tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements (prior to offsetting of the balances within the same tax jurisdiction) during the year are as follows:

	Accelerated tax depreciation US$'000	Provision for impairment and write-off of trade and other receivables US$'000	Provision for employee benefits and other liabilities US$'000	Decelerated tax depreciation US$'000	Tax losses US$'000	Revaluation on other properties US$'000	Deferred revenue US$'000	Total US$'000
At 1 April 2017	9,594	(44)	(1,200)	(14)	(42)	625	(523)	8,396
(Credited)/charged to the consolidated statement of profit or loss	(2,004)	–	67	(7)	16	(68)	(40)	(2,036)
Currency translation differences	982	(2)	(158)	–	–	55	(75)	802
At 31 March 2018	8,572	(46)	(1,291)	(21)	(26)	612	(638)	7,162
At 1 April 2018	**8,572**	**(46)**	**(1,291)**	**(21)**	**(26)**	**612**	**(638)**	**7,162**
(Credited)/charged to the consolidated statement of profit or loss	**(1,687)**	**–**	**120**	**(1)**	**26**	**222**	**169**	**(1,151)**
Currency translation differences	**(359)**	**2**	**68**	**–**	**–**	**(12)**	**33**	**(268)**
At 31 March 2019	**6,526**	**(44)**	**(1,103)**	**(22)**	**–**	**822**	**(436)**	**5,743**

Deferred income tax assets are recognised for tax loss carried-forwards to the extent that the realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of US$80,073,000 (2018: US$82,527,000) to be carried forward to offset against future taxable income. Losses amounting to US$10,723,000 (2018: US$14,482,000) will expire within 5 years. Losses amounting to US$26,714,000 (2018: US$25,912,000) will expire between 6 and 20 years. The remaining tax losses amounting to US$42,636,000 (2018: US$42,133,000) have no expiry date.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at fair value through profit or loss

Financial assets mandatorily measured at FVTPL include the following:

	2019 US$'000	2018 US$'000
Listed equity securities in Hong Kong, at market value	**348**	361
Unlisted club debenture	**96**	–
	444	361

Note:

The listed equity securities were designated as financial assets at fair value through profit or loss at inception. The fair values of the listed equity securities were based on their current bid prices in an active market. The net fair value losses on the listed equity securities at 31 March 2019 of US$12,000 (2018: net gains of US$18,000) were included under "Other gains, net" in the consolidated statement of profit or loss.

See Note 2.2(a)(i) for explanations regarding the change in accounting policy and the reclassification of certain investments from available-for-sale financial assets to financial assets at FVTPL following the adoption of IFRS 9, and Note 2.11 for the remaining relevant accounting policies.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets at fair value through profit or loss.

(b) Amounts recognised in profit or loss

During the year, the following net (losses)/gains were recognised in profit or loss:

	2019 US$'000	2018 US$'000
Fair value (losses)/gains on financial assets at FVTPL recognised in other gains, net *(Note 7)*	**(12)**	18

22 FINANCIAL INSTRUMENTS BY CATEGORY

Assets	Financial assets at amortised cost US$'000	Financial assets at fair value through profit or loss US$'000	Available-for-sale financial assets US$'000	Financial assets at fair value through other comprehensive income US$'000	Total US$'000
Financial assets at fair value through other comprehensive income *(Note 13)*	**–**	**–**	**–**	**3,044**	**3,044**
Trade and other receivables excluding prepayments	**29,903**	**–**	**–**	**–**	**29,903**
Financial assets at fair value through profit or loss *(Note 21)*	**–**	**444**	**–**	**–**	**444**
Short-term bank deposits *(Note 25)*	**5,951**	**–**	**–**	**–**	**5,951**
Cash and cash equivalents *(Note 25)*	**69,204**	**–**	**–**	**–**	**69,204**
At 31 March 2019	**105,058**	**444**	**–**	**3,044**	**108,546**
Available-for-sale financial assets *(Note 13)*	–	–	9,075	–	9,075
Trade and other receivables excluding prepayments	38,134	–	–	–	38,134
Financial assets at fair value through profit or loss *(Note 21)*	–	361	–	–	361
Short-term bank deposits *(Note 25)*	18,312	–	–	–	18,312
Cash and cash equivalents *(Note 25)*	101,923	–	–	–	101,923
Other non-current financial assets	129	–	–	–	129
At 31 March 2018	158,498	361	9,075	–	167,934

Liabilities	Financial liabilities at amortised cost **2019** US$'000	2018 US$'000
Bank and other borrowings *(Note 27)*	**19,912**	68,447
Trade and other payables excluding non-financial liabilities	**28,487**	27,476
	48,399	95,923

23 INVENTORIES

	2019 US$'000	2018 US$'000
Raw materials and consumables	**24,053**	16,201
Finished goods	**816**	1,447
	24,869	17,648

Raw materials and consumables recognised as expenses and included in "Cost of goods sold" amounted to US$43,107,000 (2018: US$44,493,000).

24 TRADE AND OTHER RECEIVABLES

	2019 US$'000	2018 US$'000
Trade receivables *(note)*	**29,189**	36,796
Less: provision for loss allowance of trade receivables	**(2,068)**	(2,290)
Trade receivables, net	**27,121**	34,506
Deposits and prepayments	**7,036**	7,599
Other receivables	**1,788**	2,715
	35,945	44,820

As at 31 March 2019 and 2018, the fair values of trade and other receivables approximated the carrying amounts.

Note: The Group allows in general a credit period ranging from 7 to 120 days to its trade customers.

As at 31 March 2019 and 2018, the ageing analysis of the trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	2019 US$'000	2018 US$'000
1 to 60 days	**18,565**	24,134
61 to 120 days	**5,955**	7,358
121 to 180 days	**1,217**	2,019
Over 180 days	**3,452**	3,285
	29,189	36,796

24 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: *(Continued)*

The carrying amounts of the trade receivables were denominated in the following currencies:

	2019	2018
	US$'000	US$'000
RM	**16,581**	22,512
HK$	**8,752**	8,996
CAD	**2,500**	2,817
US$	**1,071**	1,621
RMB	**–**	452
Other currencies	**285**	398
	29,189	36,796

The Group has trade receivables from customers engaged in various industries and which are not concentrated in any specific geographical area. Credit risk concentration with respect to trade receivables is mitigated by the Group's large customer base.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The credit period for trade receivables, depending on the business area, ranges from 7 days to 120 days.

During the year ended 31 March 2019, the Group has recognised a net loss of US$37,000 (2018: US$106,000) for the impairment of its trade receivables and directly written off an amount of US$253,000 (2018: written back US$31,000). The individually impaired receivables mainly related to customers that were in unexpected difficult economic situations. These are included in "Selling and distribution expenses" in the consolidated statement of profit or loss.

24 TRADE AND OTHER RECEIVABLES *(Continued)*

Note: *(Continued)*

Movements in the provision for loss allowance of trade receivables are as follows:

	2019	2018
	US$'000	US$'000
At 1 April	**2,290**	2,294
Provision for loss allowance	**363**	–
Provision for impairment	**–**	600
Receivables written off against allowance	**(181)**	(281)
Allowance reversed	**(326)**	(494)
Currency translation differences	**(78)**	171
At 31 March	**2,068**	2,290

The creation and release of provision for loss allowance/impairment of trade receivables have been included in "Selling and distribution expenses" in the consolidated statement of profit or loss. Amounts in the allowance account are generally utilised to write off receivables when there is no expectation of further recovery.

The Group holds deposits and bank guarantees of US$1,624,000 (2018: US$2,096,000) and US$3,891,000 (2018: US$4,697,000) respectively provided by the customers as security for certain trade receivables with a carrying amount of US$5,001,000 (2018: US$5,740,000). Other than that, the Group does not hold any collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

25 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS

	2019	2018
	US$'000	US$'000
Cash at bank and on hand	**40,418**	38,675
Short-term bank deposits (maturity date within 3 months)	**28,786**	63,248
Cash and cash equivalents	**69,204**	101,923
Short-term bank deposits (maturity date over 3 months)	**5,951**	18,312
	75,155	120,235

25 CASH AND CASH EQUIVALENTS AND SHORT-TERM BANK DEPOSITS *(Continued)*

The carrying amounts of the cash and cash equivalents and short-term bank deposits were denominated in the following currencies:

	2019	2018
	US$'000	US$'000
RM	**41,380**	86,080
HK$	**22,938**	20,942
US$	**5,188**	6,660
CAD	**2,436**	3,664
RMB	**793**	1,170
Other currencies	**2,420**	1,719
	75,155	120,235

The effective interest rates on short-term bank deposits ranged from 1.44% to 3.90% per annum during the year ended 31 March 2019 (2018: 0.91% to 4.10%); the maturity dates of these deposits ranged from 2 to 365 days (2018: 3 to 184 days).

26 TRADE AND OTHER PAYABLES

	2019	2018
	US$'000	US$'000
Trade payables *(note)*	**12,905**	12,750
Accrued charges and other payables	**19,891**	20,560
Receipts in advance	**–**	18,443
	32,796	51,753

As at 31 March 2019 and 2018, the fair values of trade and other payables approximated the carrying amounts.

Note: As at 31 March 2019 and 2018, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2019	2018
	US$'000	US$'000
1 to 60 days	**10,993**	9,051
61 to 120 days	**1,718**	3,184
121 to 180 days	**63**	49
Over 180 days	**131**	466
	12,905	12,750

27 BANK AND OTHER BORROWINGS

	2019 US$'000	2018 US$'000
Current		
Bank borrowings *(note (a))*	**19,912**	10,202
Medium-term notes (unsecured) *(note (b))*	**–**	58,245
Total bank and other borrowings	**19,912**	68,447

Notes:

(a) Bank borrowings

	2019 US$'000	2018 US$'000
Secured	**18,125**	4,346
Unsecured	**1,787**	5,856
	19,912	10,202

The carrying amounts of the bank borrowings were denominated in the following currencies:

	2019 US$'000	2018 US$'000
HK$	**17,198**	3,822
RM	**1,787**	5,856
US$	**927**	524
	19,912	10,202

As at 31 March 2019 and 2018, the fair values of the bank borrowings approximated the carrying amounts.

(b) Medium-term notes

	2019 US$'000	2018 US$'000
4.80% notes due on 25 February 2019	**–**	58,245

On 25 February 2014, the Company issued two tranches of RM225,000,000 each of medium-term notes. The first tranche medium-term notes had an annual coupon rate of 4.58% and matured on 24 February 2017. The second tranche medium-term notes had an annual coupon rate of 4.80% and matured on 25 February 2019.

The Company redeemed the first tranche medium-term notes on 24 February 2017 and the second tranche medium-term notes on 25 February 2019.

As at 31 March 2018, the fair value of the medium-term notes approximated the carrying amounts, as the impact of discounting was not significant. The fair value was based on cash flows discounted using the average coupon rate of 4.80% and the medium-term notes were classified within level 2 of the fair value hierarchy.

27 BANK AND OTHER BORROWINGS *(Continued)*

Notes: (Continued)

(c) The borrowings were repayable, without taking into account the repayable on demand clauses, as follows:

	Bank borrowings		Medium-term notes	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
	US$'000	US$'000	**US$'000**	US$'000
Within 1 year	**13,848**	10,202	**–**	58,245
Between 1 and 2 years	**306**	–	**–**	–
Between 2 and 5 years	**917**	–	**–**	–
More than 5 years	**4,841**	–	**–**	–
	19,912	10,202	**–**	58,245

28 OTHER NON-CURRENT LIABILITIES

	2019	2018
	US$'000	US$'000
Retirement benefit obligations *(note)*	**693**	816
Defined benefit plan liabilities *(Note 29)*	**681**	795
	1,374	1,611
Current portion of other non-current liabilities	**(45)**	(78)
	1,329	1,533

Note: Retirement benefit obligations represent the present value of the Group's obligations under the following:

(a) long service payment and severance payment obligations for its employees in Hong Kong (the "HK LSP/SP"); and

(b) an unfunded defined benefit retirement scheme for its eligible employees in Malaysia (the "Malaysia Scheme").

The amounts recognised in the consolidated statement of financial position are as follows:

	2019	2018
	US$'000	US$'000
Present value of the retirement benefit obligations	**693**	816

28 OTHER NON-CURRENT LIABILITIES *(Continued)*

Note: (Continued)

Movements in the retirement benefit obligations during the year are as follows:

	2019	2018
	US$'000	US$'000
At 1 April	**816**	773
Current service cost	**(36)**	46
Interest cost	**27**	3
Retirement benefit obligations paid	**(57)**	(141)
Remeasurements of post-employment benefit obligations	**(27)**	66
Currency translation differences	**(30)**	69
At 31 March	**693**	816

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2019	2018
	US$'000	US$'000
Current service cost	**(36)**	46
Interest cost	**27**	3
Total included in employee benefit expense *(Note 15)*	**(9)**	49

The principal actuarial assumptions used are as follows:

For obligations under the HK LSP/SP:

	2019	2018
Discount rate	**2.2%**	2.0%
Expected inflation rate	**2.5%**	2.5%
Expected rate of future salary increases	**3.5%**	3.5%
Interest on employer balances in the Scheme *(Note 29(b))*	**5.0%**	5.0%
Interest on employer balances in the Mandatory Provident Fund Scheme	**4.0%**	4.0%

For obligations under the Malaysia Scheme:

	2019	2018
Discount rate	**4.6%**	4.7%
Expected inflation rate	**3.0%**	3.0%
Expected rate of future salary increases	**5.8%**	7.0%

29 DEFINED BENEFIT PLAN LIABILITIES

The Group operates a number of staff retirement schemes which include a hybrid retirement benefit scheme (the "Scheme") for its employees in Hong Kong.

(a) The Scheme has three categories of members: Regular Member, Special Member and Defined Benefit ("DB") Member

Regular Member (defined contribution)	—	defined contribution type of benefits based on accumulated employer's contributions and investment gains and losses thereon.
Special Member (defined benefit)	—	benefits based on salary and service or accumulated employer's contributions with credited investment gains and losses, whichever is higher.
DB Member (defined benefit)	—	benefits based on final salary and service only.

Regular Members and Special Members are required to contribute monthly at 5% of their basic monthly salaries to the Scheme. The accumulated members' contributions with investment gains and losses thereon will be paid to the members upon their cessation of employment in addition to the benefits described above.

Expected Group's contributions to the Scheme for the year ending 31 March 2020 are US$38,000.

(b) Defined benefit scheme for Special Member and DB Member

Pension costs are assessed using the projected unit credit method. The pension costs are charged to the consolidated statement of profit or loss so as to spread the regular costs over the service lives of employees. A full valuation of the defined benefit scheme based on the projected unit credit method has been carried out by Towers Watson Hong Kong Limited, an independent qualified actuary, and the pension costs are charged to the consolidated statement of profit or loss in accordance with its advice.

The amounts recognised in the consolidated statement of financial position are determined as follows:

	2019	2018
	US$'000	US$'000
Fair value of the plan assets	**1,639**	2,114
Present value of the defined benefit obligations	**(2,320)**	(2,909)
Net liabilities in the consolidated statement of financial position *(Note 28)*	**(681)**	(795)

29 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

(b) Defined benefit scheme for Special Member and DB Member *(Continued)*

Movements in the fair value of the plan assets are as follows:

	2019 US$'000	2018 US$'000
At 1 April	**2,114**	2,402
Group contributions paid	**41**	40
Interest income	**38**	37
Scheme administration costs	**(77)**	(90)
Actual benefits paid	**(282)**	(500)
Remeasurements on plan assets	**(195)**	246
Currency translation differences	**–**	(21)
At 31 March	**1,639**	2,114

Movements in the present value of the defined benefit obligations are as follows:

	2019 US$'000	2018 US$'000
At 1 April	**2,909**	2,844
Current service cost	**59**	66
Interest cost	**52**	43
Actual benefits paid	**(282)**	(500)
Remeasurements on obligations	**(419)**	484
Currency translation differences	**1**	(28)
At 31 March	**2,320**	2,909

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2019 US$'000	2018 US$'000
Current service cost	**(59)**	(66)
Interest cost	**(52)**	(43)
Interest income	**38**	37
Scheme administration costs	**(77)**	(90)
Total pension costs included in employee benefit expense *(Note 15)*	**(150)**	(162)

29 DEFINED BENEFIT PLAN LIABILITIES *(Continued)*

(b) Defined benefit scheme for Special Member and DB Member *(Continued)*

Movements in the net liabilities recognised in the consolidated statement of financial position are as follows:

	2019	2018
	US$'000	US$'000
At 1 April	**(795)**	(442)
Total pension costs recognised in the consolidated statement of profit or loss *(Note 15)*	**(150)**	(162)
Remeasurements recognised in other comprehensive income	**224**	(238)
Group contributions paid	**41**	40
Currency translation differences	**(1)**	7
At 31 March	**(681)**	(795)

The principal actuarial assumptions used are as follows:

	2019	2018
Discount rate	**1.6%**	1.8%
Expected rate of future salary increases	**3.5%**	3.5%
Interest on employer balances	**5.0%**	5.0%

The plan assets are managed by independent investment managers and are invested in unit trusts based on the long-term benchmark allocation of roughly 70% in equities and 30% in bonds and cash.

30 SHARE CAPITAL AND PREMIUM

	Number of ordinary shares	Issued share capital US$'000	Share premium US$'000	Total US$'000
At 31 March 2017 and 2018	1,687,236,241	21,715	54,664	76,379
At 31 March 2019	**1,687,236,241**	**21,715**	**54,664**	**76,379**

The number of authorised ordinary shares is 2,500 million shares (2018: 2,500 million shares) with a par value of HK$0.10 per share. All issued shares are fully paid.

31 CHANGE IN OWNERSHIP INTEREST IN A SUBSIDIARY WITHOUT CHANGE OF CONTROL

On 2 June 2017, Ming Pao Enterprise Corporation Limited, a wholly-owned subsidiary of the Company, acquired the remaining 2.22% of the issued share capital of Mingpao.com Holdings Limited ("MPCH") for a consideration of US$270,000. The carrying amount of the non-controlling interests in MPCH on the date of acquisition was US$429,000. MPCH became a wholly-owned subsidiary of the Company upon completion of this transaction.

The Group recognised a decrease in non-controlling interests of US$429,000 and an increase in equity attributable to owners of the Company of US$159,000. The effect of the change in the ownership interest of MPCH on the equity attributable to owners of the Company during the year ended 31 March 2018 is summarised as follows:

	2019 US$'000	2018 US$'000
Carrying amount of non-controlling interests acquired	**–**	429
Consideration paid to non-controlling interests	**–**	(270)
Gain from the equity transaction recognised within equity	**–**	159

32 OTHER RESERVES

	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Employee share-based payment reserve US$'000	Merger reserve US$'000	Available-for-sale financial asset reserve US$'000	Financial assets at fair value through other comprehensive income reserve US$'000	Others US$'000	Total US$'000
At 1 April 2017	183	(34,428)	456	(92,647)	–	–	170	(126,266)
Currency translation differences	–	21,591	–	–	–	–	–	21,591
Fair value change on available-for-sale financial assets	–	–	–	–	4,295	–	–	4,295
At 31 March 2018	183	(12,837)	456	(92,647)	4,295	–	170	(100,380)
At 31 March 2018	183	(12,837)	456	(92,647)	4,295	–	170	(100,380)
Adjustment on adoption of IFRS 9	**–**	**–**	**–**	**–**	**(4,295)**	**4,295**	**–**	**–**
At 1 April 2018	**183**	**(12,837)**	**456**	**(92,647)**	**–**	**4,295**	**170**	**(100,380)**
Currency translation differences	**–**	**(8,617)**	**–**	**–**	**–**	**–**	**–**	**(8,617)**
Currency translation differences released upon disposal of subsidiaries	**–**	**157**	**–**	**–**	**–**	**–**	**–**	**157**
Fair value change on financial assets at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(4,333)**	**–**	**(4,333)**
At 31 March 2019	**183**	**(21,297)**	**456**	**(92,647)**	**–**	**(38)**	**170**	**(113,173)**

33 RETAINED EARNINGS

(a) Movements in the Group's retained earnings for the years ended 31 March 2019 and 2018 are presented in the consolidated statement of changes in equity on pages 93 and 94.

(b) Movements in the Company's retained earnings for the years ended 31 March 2019 and 2018 are presented in Note 40(b).

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	2019 US$'000	2018 US$'000
Operating loss	(3,884)	(4,160)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	12	(18)
Fair value gains on investment properties, net	(516)	(239)
Fair value losses on other non-current financial assets	121	–
Depreciation of property, plant and equipment	7,308	8,154
Amortisation of intangible assets	929	962
Provision for loss allowance and write-off of trade and other receivables	290	75
Provision for impairment and write-off of inventories	227	268
Dividend income	(17)	(16)
Interest income	(2,984)	(2,443)
Provision for impairment of property, plant and equipment	2,750	5,146
Provision for impairment of intangible assets	476	949
Provision for impairment of goodwill	15,227	20,709
Gain on deemed disposal of interest in an associate	–	(2,716)
Losses on disposal of subsidiaries and joint ventures	218	–
Losses/(gains) on disposal of property, plant and equipment, net	2,013	(19)
Pension costs — defined benefit plans	150	162
Retirement benefit obligations	(9)	49
Operating profit before working capital changes	22,311	26,863
Changes in working capital		
Inventories	(8,077)	4,348
Trade and other receivables	8,150	(727)
Trade and other payables	764	1,964
Contract liabilities	483	–
Cash generated from operations	**23,631**	32,448

34 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprised:

	2019	2018
	US$'000	US$'000
Property, plant and equipment — net book amount *(Note 17)*	**2,077**	16
(Losses)/gains on disposal of property, plant and equipment, net	**(2,013)**	19
Proceeds from disposal of property, plant and equipment	**64**	35

(c) Reconciliation of liabilities arising from financing activities

	As at 31 March 2017	Net cash inflows	Non-cash changes: Foreign exchange movement	As at 31 March 2018
	US$'000	US$'000	US$'000	US$'000
Bank borrowings	2,506	7,195	501	10,202
Medium-term notes	50,870	–	7,375	58,245
Total liabilities from financing activities	53,376	7,195	7,876	68,447

	As at 31 March 2018	**Net cash inflows/ (outflows)**	**Non-cash changes: Foreign exchange movement**	**As at 31 March 2019**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Bank borrowings	**10,202**	**9,914**	**(204)**	**19,912**
Medium-term notes	**58,245**	**(55,006)**	**(3,239)**	**–**
Total liabilities from financing activities	**68,447**	**(45,092)**	**(3,443)**	**19,912**

35 PLEDGE OF ASSETS

As at 31 March 2019, certain of the Group's banking facilities were secured by the following:

(a) first legal charges on certain of the Group's leasehold land and buildings with an aggregate carrying value of US$3,045,000 at 31 March 2019 (2018: Nil) and assignment of rental income derived therefrom; and

(b) corporate guarantees issued by the Company.

36 CONTINGENCIES

There are several libel suits which involve claims against some companies in the Group. The Group has been strongly contesting those claims. Even though the final outcome of the proceedings is still uncertain as of the date these financial statements are authorised for issue, the directors of the Company are of the opinion that the respective ultimate liability, if any, will not have a material adverse impact upon the Group's financial position.

37 COMMITMENTS

(a) Capital commitments

Capital commitments outstanding at 31 March 2019 and 2018 are as follows:

	2019	2018
	US$'000	US$'000
Property, plant and equipment		
Authorised and contracted for	**1,279**	123
Authorised but not contracted for	**48**	98
	1,327	221

(b) Operating lease commitments

The Group leases various offices under non-cancellable operating lease agreements. The majority of these lease agreements have terms between one and five years and are renewable at the end of the lease period at market rates.

At 31 March 2019 and 2018, the Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	US$'000	US$'000
No later than one year	**2,794**	1,752
Later than one year and no later than five years	**1,252**	1,157
Later than five years	**371**	300
	4,417	3,209

38 RELATED PARTY TRANSACTIONS

(a) Related party transactions

	2019	2018
	US$'000	US$'000
Event sponsorship commission paid to a related company *(note (i))*	**–**	9
Motor vehicle insurance premiums paid to a related company *(note (i))*	**–***	2
Newsprint purchases from a related company *(note (i))*	**725**	13,009
Provision of broadband internet services by a related company *(note (i))*	**–***	2
Provision of engineering professional services by a related company *(note (i))*	**47**	46
Purchases of air tickets from a related company *(note (i))*	**8**	8
Purchases of honey from a related company *(note (i))*	**–**	2
Rental expenses paid to related companies *(note (i))*	**92**	87
Advertising income received from related companies *(note (i))*	**(5)**	(11)
Commission received from sales of honey from a related company *(note (i))*	**(1)**	(5)
Photo licensing income received from an associate	**–**	(2)
Provision of accounting and administrative services to related companies *(note (i))*	**(17)**	(16)
Provision of accounting service to an associate	**–**	(156)
Provision of air ticketing and accommodation arrangement services to related companies *(note (i))*	**–**	(42)
Provision of editorial pagination services to a related company *(note (i))*	**(30)**	–
Purchases of mineral water from a related company *(note (i))*	**–***	–
Rental income received from a related company *(note (i))*	**–**	(2)
Scrap sales of old newspapers and magazines to a related company *(note (i))*	**(98)**	(1,036)

* negligible

Notes:

(i) Certain shareholders and directors of the Company are shareholders and/or directors of these related companies.

(ii) All the transactions above have been entered into in the normal course of business and have been charged at predetermined rates agreed mutually by the parties involved.

(iii) Addition of investment property *(Note 18)* during the year was acquired from a related company on normal commercial terms and at arm's length basis.

38 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Key management compensation

Key management comprised members of the Group's executive committees, some of whom are directors of the Company. The compensation paid or payable to the key management for employee services is shown below:

	2019	2018
	US$'000	US$'000
Directors' fees, basic salaries, bonuses, other allowances and benefits in kind	**1,783**	2,021
Employer's contributions to pension schemes	**116**	119
	1,899	2,140

(c) Year-end balances with related parties

	2019	2018
	US$'000	US$'000
Receivables from related companies	**1**	18
Payables to related companies *(note)*	**(3)**	(689)

Note: As at 31 March 2018, the payables to related companies mainly arose from purchases of newsprint from a related company. The payables were unsecured, interest-free and repayable on demand.

(d) Ultimate controlling party

The ultimate controlling party of the Group is Tan Sri Datuk Sir TIONG Hiew King, who holds an aggregate equity of 52.19% in the Company as at 31 March 2019. Details of the interests held by Tan Sri Datuk Sir TIONG Hiew King in the Company are set out in paragraph (i) "Interests and short positions in the shares, underlying shares and debentures of the Company" on page 80.

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) Particulars of the Company's principal subsidiaries at 31 March 2019 that are incorporated and operate in Hong Kong are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Charming Holidays Limited	HK$1,000,000	100%	Provision of travel and travel related services
Charming Holidays (North America) Limited	HK$2	100%	Investment holding
Holgain Limited	HK$20	100%	Property investment
Kin Ming Printing Company Limited	HK$10,000	100%	Provision of printing services
MCIL Digital Limited	HK$1	100%	Digital multimedia business
MediaNet Advertising Limited	HK$100	73.01%	Media operation
Ming Pao Education Publications Limited	HK$1	100%	Digital multimedia business and books publishing
Ming Pao Holdings Limited	HK$1,000,000	100%	Investment holding and provision of management services
Ming Pao Magazines Limited	HK$1,650,000	73.01%	Publication and distribution of magazines
Ming Pao Newspapers Limited	HK$2	100%	Publication and distribution of newspapers and periodicals
Ming Pao Publications Limited	HK$10	100%	Publication and distribution of books
ST Productions Limited	HK$4,000,003	58.41%	Artiste and events management
Yazhou Zhoukan Limited	HK$9,500	100%	Publication and distribution of magazines

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(b) Particulars of the Company's principal subsidiaries at 31 March 2019 that are incorporated and operate in Malaysia are as follows:

Name of subsidiary	Paid-up issued/ registered capital	Effective equity interest	Principal activities
The China Press Berhad	RM4,246,682	99.75%	Publication of newspapers and provision of printing services
Guang-Ming Ribao Sdn Bhd	RM4,000,000	100%	Publication and distribution of newspapers and provision of electronic commerce services
MCIL Multimedia Sdn Bhd	RM16,500,000	100%	Provision of electronic commerce and multimedia services and organisation of events
Mulu Press Sdn Bhd	RM500,000	100%	Distribution of newspapers and provision of editorial and advertising services
Nanyang Press Holdings Berhad	RM79,466,375	100%	Publication and distribution of newspapers and magazines, investment holding and letting of properties
Nanyang Press Marketing Sdn Bhd	RM1,000,000	100%	Provision of marketing and circulation services of newspapers
Nanyang Siang Pau Sdn Bhd	RM60,000,000	100%	Publication of newspapers and magazines
Sinchew-i Sdn Bhd	RM25,000,000	100%	Investment holding
Sin Chew Media Corporation Berhad	RM151,467,497	100%	Publication and distribution of newspapers and magazines, provision of printing and electronic commerce services

39 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

(c) Particulars of the Company's principal subsidiaries at 31 March 2019 that are incorporated outside Hong Kong and Malaysia are as follows:

Name of subsidiary	Place of incorporation/ operation	Paid-up issued/ registered capital	Effective equity interest	Principal activities
Comwell Investment Limited	The British Virgin Islands ("BVI") / HK	HK$1	100%	Investment holding
Delta Tour & Travel Services (Canada), Inc.	Canada / Canada	CAD530,000	100%	Provision of travel and travel related services
Delta Tour & Travel Services, Inc.	The United States of America ("USA") / USA	US$300,500	100%	Provision of travel and travel related services
First Collection Limited	BVI / HK	US$1	100%	Investment holding
Ming Pao Enterprise Corporation Limited	The Cayman Islands ("CI") / HK	US$1	100%	Investment holding
Ming Pao Finance Limited	BVI / HK	US$10	73.01%	Licensing of trademarks
Ming Pao Holdings (Canada) Limited	Canada / Canada	CAD1	100%	Investment holding
Ming Pao Holdings (USA) Inc.	USA / USA	US$1	100%	Investment holding
Ming Pao Newspapers (Canada) Limited	Canada / Canada	CAD11	100%	Publication and distribution of newspapers and periodicals
One Media Group Limited	CI / HK	HK$400,900	73.01%	Investment holding
One Media Holdings Limited	BVI / HK	US$200	73.01%	Investment holding
PT Sinchew Indonesia	Indonesia / Indonesia	US$1,500,000	80%	Acting as newspaper distribution agent
Sinchew (USA) Inc.	USA / USA	US$200	100%	Letting of property
Taiwan One Media Group Limited	Taiwan / Taiwan	TWD1,000,000	73.01%	Magazine publishing

The table above includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

		At 31 March	
		2019	2018
	Note	**US$'000**	US$'000
ASSETS			
Non-current assets			
Interests in subsidiaries		**229,484**	261,235
Current assets			
Other receivables		**31**	61
Cash and cash equivalents		**86**	84
		117	145
Current liabilities			
Other payables		**1,054**	1,367
Bank and other borrowings		**–**	58,245
		1,054	59,612
Net current liabilities		**(937)**	(59,467)
Total assets less current liabilities		**228,547**	201,768
EQUITY			
Equity attributable to owners of the Company			
Share capital		**21,715**	21,715
Share premium		**54,664**	54,664
Other reserves	*(a)*	**(18,328)**	(7,174)
Retained earnings	*(b)*	**170,496**	132,563
Total equity		**228,547**	201,768

The statement of financial position of the Company was approved by the Board of Directors on 28 May 2019 and was signed on its behalf by:

Dato' Sri Dr TIONG Ik King
Director

TIONG Kiew Chiong
Director

40 STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

(a) Movements in the Company's other reserves for the years ended 31 March 2019 and 2018 are as follows:

	Capital redemption reserve US$'000	Exchange fluctuation reserve US$'000	Contributed surplus US$'000	Total US$'000
At 1 April 2017	183	(70,888)	26,228	(44,477)
Currency translation differences	–	37,303	–	37,303
At 31 March 2018	183	(33,585)	26,228	(7,174)
At 1 April 2018	**183**	**(33,585)**	**26,228**	**(7,174)**
Currency translation differences	**–**	**(11,154)**	**–**	**(11,154)**
At 31 March 2019	**183**	**(44,739)**	**26,228**	**(18,328)**

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to owners of the Company. At the Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

(b) Movements in the Company's retained earnings for the years ended 31 March 2019 and 2018 are as follows:

	2019 US$'000	2018 US$'000
At 1 April	**132,563**	224,868
Profit for the year	**61,561**	11,984
Second interim dividend, 2017/2018, paid, US0.18 cents (2016/2017: US0.36 cents)	**(3,037)**	(6,074)
First interim dividend, 2018/2019, paid, US0.18 cents (2017/2018: US0.25 cents)	**(3,037)**	(4,218)
Impairment for investments in subsidiaries	**(17,554)**	(93,997)
At 31 March	**170,496**	132,563

Additional
Compliance Information

STATUTORY DECLARATION

Pursuant to Paragraph 4A.16 of the Listing Requirements of Bursa Malaysia Securities Berhad

I, FU Shuk Kuen, being the person primarily responsible for the financial management of Media Chinese International Limited, do solemnly and sincerely declare that the financial statements and supplementary information set out on pages 89 to 172 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Ordinance (Chapter 11) of the Laws of Hong Kong.

Subscribed and solemnly declared by FU Shuk Kuen
at Hong Kong
on 28 May 2019

Before me,

Notary Public

Five-Year Financial Summary

The results of the Group for the last five financial years are as follows:

	For the year ended 31 March				
	2019	2018	2017	2016	2015
	US$'000	US$'000	US$'000	US$'000	US$'000
Turnover	**285,560**	284,963	302,586	349,126	429,140
(Loss)/profit attributable to owners of the Company	**(11,293)**	(11,485)	15,156	26,649	31,429
Basic (loss)/earnings per share (US cents)	**(0.67)**	(0.68)	0.90	1.58	1.86

The assets and liabilities of the Group for the last five financial years are as follows:

	As at 31 March				
	2019	2018	2017	2016	2015
	US$'000	US$'000	US$'000	US$'000	US$'000
Property, plant and equipment	**79,209**	94,253	96,266	114,596	126,909
Investment properties	**20,913**	16,437	14,587	15,451	15,943
Intangible assets	**9,141**	26,863	43,231	53,516	59,004
Deferred income tax assets	**224**	243	226	300	723
Financial assets at fair value through other comprehensive income	**3,044**	–	–	–	–
Available-for-sale financial assets	**–**	8,979	–	–	–
Investments accounted for using the equity method	**–**	143	731	749	796
Other non-current financial assets	**–**	129	–	–	–
Non-current assets	**112,531**	147,047	155,041	184,612	203,375
Current assets	**137,050**	184,710	153,765	218,328	219,441
Current liabilities	**(72,464)**	(121,051)	(50,810)	(115,538)	(73,216)
Net current assets	**64,586**	63,659	102,955	102,790	146,225
Total assets less current liabilities	**177,117**	210,706	257,996	287,402	349,600
Non-controlling interests	**(2,062)**	(4,099)	(3,621)	(5,703)	(6,361)
Bank and other borrowings — non-current portion	**–**	–	(50,870)	(57,663)	(121,506)
Deferred income tax liabilities	**(5,967)**	(7,405)	(8,622)	(9,981)	(11,138)
Other non-current liabilities	**(1,329)**	(1,533)	(1,189)	(1,031)	(851)
Equity attributable to owners of the Company	**167,759**	197,669	193,694	213,024	209,744

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	(Unaudited) Year ended 31 March	
	2019	2018
	RM'000	RM'000
	(Note)	*(Note)*
Turnover	**1,166,513**	1,164,074
Cost of goods sold	**(794,361)**	(758,331)
Gross profit	**372,152**	405,743
Other income	**32,398**	32,067
Other gains, net	**437**	11,896
Selling and distribution expenses	**(197,726)**	(213,498)
Administrative expenses	**(120,785)**	(124,033)
Other operating expenses	**(40,139)**	(44,571)
Operating profit before provision for impairment of goodwill	**46,337**	67,604
Provision for impairment of goodwill	**(62,202)**	(84,596)
Operating loss	**(15,865)**	(16,992)
Finance costs	**(10,838)**	(11,409)
Share of post-tax results of joint ventures and associates	**–**	323
Loss before income tax	**(26,703)**	(28,078)
Income tax expense	**(21,156)**	(21,777)
Loss for the year	**(47,859)**	(49,855)
Loss attributable to:		
Owners of the Company	**(46,131)**	(46,915)
Non-controlling interests	**(1,728)**	(2,940)
	(47,859)	(49,855)
Loss per share attributable to owners of the Company		
Basic (sen)	**(2.74)**	(2.78)
Diluted (sen)	**(2.74)**	(2.78)

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2019 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.0850 ruling at 31 March 2019. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) Year ended 31 March 2019 RM'000 *(Note)*	2018 RM'000 *(Note)*
Loss for the year	**(47,859)**	(49,855)
Other comprehensive (loss)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation differences	**(35,348)**	88,420
Currency translation differences released upon disposal of subsidiaries	**878**	–
Fair value change on available-for-sale financial assets	**–**	24,032
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on financial assets at fair value through other comprehensive income	**(24,261)**	–
Remeasurements of post-employment benefit obligations	**1,025**	(1,242)
Other comprehensive (loss)/income for the year, net of tax	**(57,706)**	111,210
Total comprehensive (loss)/income for the year	**(105,565)**	61,355
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(97,370)**	57,632
Non-controlling interests	**(8,195)**	3,723
	(105,565)	61,355

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2019 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.0850 ruling at 31 March 2019. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) At 31 March 2019 RM'000 (Note)	2018 RM'000 (Note)
ASSETS		
Non-current assets		
Property, plant and equipment	**323,569**	385,024
Investment properties	**85,430**	67,145
Intangible assets	**37,341**	109,735
Deferred income tax assets	**915**	993
Financial assets at fair value through other comprehensive income	**12,435**	–
Available-for-sale financial assets	**–**	36,679
Investments accounted for using the equity method	**–**	584
Other non-current financial assets	**–**	527
	459,690	600,687
Current assets		
Inventories	**101,590**	72,092
Available-for-sale financial assets	**–**	392
Financial assets at fair value through profit or loss	**1,814**	1,475
Trade and other receivables	**146,835**	183,090
Income tax recoverable	**2,602**	6,332
Short-term bank deposits	**24,310**	74,805
Cash and cash equivalents	**282,698**	416,356
	559,849	754,542
Current liabilities		
Trade and other payables	**133,972**	211,411
Contract liabilities	**77,035**	–
Income tax liabilities	**3,485**	3,158
Bank and other borrowings	**81,340**	279,606
Current portion of other non-current liabilities	**184**	319
	296,016	494,494
Net current assets	**263,833**	260,048
Total assets less current liabilities	**723,523**	860,735

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	(Unaudited) At 31 March 2019 RM'000 *(Note)*	2018 RM'000 *(Note)*
EQUITY		
Equity attributable to owners of the Company		
Share capital	**88,706**	88,706
Share premium	**223,302**	223,302
Other reserves	**(462,313)**	(410,053)
Retained earnings	**835,600**	905,522
	685,295	807,477
Non-controlling interests	**8,423**	16,745
Total equity	**693,718**	824,222
Non-current liabilities		
Deferred income tax liabilities	**24,375**	30,249
Other non-current liabilities	**5,430**	6,264
	29,805	36,513
	723,523	860,735

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM as at 31 March 2019 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.0850 ruling at 31 March 2019. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited) Attributable to owners of the Company						
	Share capital RM'000 *(Note)*	Share premium RM'000 *(Note)*	Other reserves RM'000 *(Note)*	Retained earnings RM'000 *(Note)*	Sub-total RM'000 *(Note)*	Non-controlling interests RM'000 *(Note)*	Total equity RM'000 *(Note)*
At 1 April 2017	88,706	223,302	(515,797)	995,028	791,239	14,790	806,029
Loss for the year	–	–	–	(46,915)	(46,915)	(2,940)	(49,855)
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	88,199	–	88,199	221	88,420
Fair value change on available-for-sale financial assets	–	–	17,545	–	17,545	6,487	24,032
Item that will not be reclassified subsequently to profit or loss:							
Remeasurements of post-employment benefit obligations	–	–	–	(1,197)	(1,197)	(45)	(1,242)
Other comprehensive income/(loss), net of tax	–	–	105,744	(1,197)	104,547	6,663	111,210
Total comprehensive income/(loss) for the year ended 31 March 2018	–	–	105,744	(48,112)	57,632	3,723	61,355
Total transactions with owners, recognised directly in equity							
2016/2017 second interim dividend paid	–	–	–	(24,813)	(24,813)	–	(24,813)
2017/2018 first interim dividend paid	–	–	–	(17,231)	(17,231)	–	(17,231)
2016/2017 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(16)	(16)
2017/2018 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	–*	–*
Transaction with non-controlling interests	–	–	–	650	650	(1,752)	(1,102)
	–	–	–	(41,394)	(41,394)	(1,768)	(43,162)
At 31 March 2018	88,706	223,302	(410,053)	905,522	807,477	16,745	824,222

* negligible

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

	(Unaudited) Attributable to owners of the Company						
	Share capital RM'000 *(Note)*	Share premium RM'000 *(Note)*	Other reserves RM'000 *(Note)*	Retained earnings RM'000 *(Note)*	Sub-total RM'000 *(Note)*	Non-controlling interests RM'000 *(Note)*	Total equity RM'000 *(Note)*
At 1 April 2018	88,706	223,302	(410,053)	905,522	807,477	16,745	824,222
Loss for the year	–	–	–	(46,131)	(46,131)	(1,728)	(47,859)
Other comprehensive (loss)/income							
Items that have been reclassified or may be reclassified subsequently to profit or loss:							
Currency translation differences	–	–	(35,201)	–	(35,201)	(147)	(35,348)
Currency translation differences released upon disposal of subsidiaries	–	–	641	–	641	237	878
Items that will not be reclassified subsequently to profit or loss:							
Fair value change on financial assets at fair value through other comprehensive income	–	–	(17,700)	–	(17,700)	(6,561)	(24,261)
Remeasurements of post-employment benefit obligations	–	–	–	1,021	1,021	4	1,025
Other comprehensive (loss)/income, net of tax	–	–	(52,260)	1,021	(51,239)	(6,467)	(57,706)
Total comprehensive loss for the year ended 31 March 2019	–	–	(52,260)	(45,110)	(97,370)	(8,195)	(105,565)
Total transactions with owners, recognised directly in equity							
2017/2018 second interim dividend paid	–	–	–	(12,406)	(12,406)	–	(12,406)
2018/2019 first interim dividend paid	–	–	–	(12,406)	(12,406)	–	(12,406)
2017/2018 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	–*	–*
2018/2019 interim dividend paid by an unlisted subsidiary	–	–	–	–	–	(127)	(127)
	–	–	–	(24,812)	(24,812)	(127)	(24,939)
At 31 March 2019	88,706	223,302	(462,313)	835,600	685,295	8,423	693,718

* negligible

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2019 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.0850 ruling at 31 March 2019. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) Year ended 31 March	
	2019	2018
	RM'000	RM'000
	(Note)	*(Note)*
Cash flows from operating activities		
Cash generated from operations	**96,531**	132,549
Interest paid	**(11,789)**	(11,601)
Income tax paid	**(21,855)**	(31,116)
Net cash generated from operating activities	**62,887**	89,832
Cash flows from investing activities		
Dividends received	**609**	1,217
Decrease/(increase) in short-term bank deposits with original maturity over three months	**50,495**	(33,603)
Interest received	**12,190**	9,980
Proceeds from disposal of property, plant and equipment	**261**	143
Proceeds from disposal of subsidiaries and joint ventures	**41**	–
Purchases of intangible assets	**(1,189)**	(613)
Purchases of investment properties	**(19,003)**	–
Purchases of other non-current financial assets	**–**	(470)
Purchases of property, plant and equipment	**(5,666)**	(3,035)
Net cash generated from/(used in) investing activities	**37,738**	(26,381)
Cash flows from financing activities		
Dividends paid	**(24,812)**	(42,044)
Dividends paid to non-controlling interests by an unlisted subsidiary	**(127)**	(16)
Proceeds from bank and other borrowings	**93,530**	79,613
Repayments of bank and other borrowings	**(277,731)**	(50,221)
Transaction with non-controlling interests	**–**	(1,102)
Net cash used in financing activities	**(209,140)**	(13,770)
Net (decrease)/increase in cash and cash equivalents	**(108,515)**	49,681
Cash and cash equivalents at beginning of year	**416,356**	326,579
Exchange adjustments on cash and cash equivalents	**(25,143)**	40,096
Cash and cash equivalents at end of year	**282,698**	416,356

Note: The presentation currency of these consolidated financial statements is US$. Additional information in RM for the year ended 31 March 2019 with comparatives are shown for reference only and have been made at the same exchange rate of US$1 to RM4.0850 ruling at 31 March 2019. This translation should not be construed as a representation that the US$ amounts actually represented have been, or could be, converted into RM at this or any other rate.

Analysis of Shareholdings

As at 20 June 2019

Authorised share capital	:	HK$250,000,000 divided into 2,500,000,000 ordinary shares of HK$0.10 each
Issued and paid-up capital	:	HK$168,723,624.10
Class of shares	:	ordinary shares of HK$0.10 each
Voting rights	:	one vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	% of shareholders	Number of shares held	% of issued ordinary shares
1 to 99	621	5.94	27,231	–*
100 to 1,000	1,313	12.57	895,817	0.05
1,001 to 10,000	5,205	49.82	24,972,193	1.48
10,001 to 100,000	2,787	26.68	91,404,763	5.42
100,001 to less than 5% of issued shares	518	4.96	854,142,460	50.62
5% and above of issued shares	3	0.03	715,793,777	42.43
TOTAL	10,447	100.00	1,687,236,241	100.00

* *negligible*

DIRECTORS' INTERESTS

(a) The Company

	Direct interest		Indirect interest[8]	
Name of directors	Number of shares	% of issued ordinary shares	Number of shares	% of issued ordinary shares
Dato' Sri Dr TIONG Ik King	20,144,189	1.19	253,987,700[1]	15.05
Ms TIONG Choon	2,654,593	0.16	653,320[2]	0.04
			1,023,632[3]	0.06
Mr TIONG Kiew Chiong	4,087,539	0.24	–	–
Mr LEONG Chew Meng	80,000	–*	–	–

* *negligible*

DIRECTORS' INTERESTS *(Continued)*

(b) Subsidiary — One Media Group Limited

Name of directors	Direct interest: Number of shares	Direct interest: % of issued ordinary shares of One Media	Indirect interest[8]: Number of shares	Indirect interest[8]: % of issued ordinary shares of One Media
Dato' Sri Dr TIONG Ik King	–	–	292,700,000	73.01
Ms TIONG Choon	26,000	0.01	–	–

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Direct interest: Number of shares	Direct interest: % of issued ordinary shares	Indirect interest[8]: Number of shares	Indirect interest[8]: % of issued ordinary shares
Tan Sri Datuk Sir TIONG Hiew King	87,109,058	5.16	815,120,047[4]	45.31
			10,783,034[5]	0.64
Dato' Sri Dr TIONG Ik King	20,144,189	1.19	253,987,700[1]	15.05
Progresif Growth Sdn Bhd	296,463,556	17.57	–	–
Conch Company Limited	253,987,700	15.05	–	–
Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59	371,407,560[6]	22.01
Seaview Global Company Limited	–	–	253,987,700[7]	15.05

Notes:

(1) Deemed interested by virtue of his interest in Conch Company Limited.

(2) Deemed interested by virtue of her interests in TC Blessed Holdings Sdn Bhd.

(3) Deemed interested by virtue of her spouse's interests.

(4) Deemed interested by virtue of his interests in Progresif Growth Sdn Bhd, Conch Company Limited, Ezywood Options Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd, Rimbunan Hijau Southeast Asia Sdn Bhd, Pertumbuhan Abadi Asia Sdn Bhd, Tiong Toh Siong Holdings Sdn Bhd and Tiong Toh Siong Enterprises Sdn Bhd.

(5) Deemed interested by virtue of his family's interests.

(6) Deemed interested by virtue of its interest in Progresif Growth Sdn Bhd, Madigreen Sdn Bhd, Rimbunan Hijau (Sarawak) Sdn Bhd and Rimbunan Hijau Southeast Asia Sdn Bhd.

(7) Deemed interested by virtue of its interest in Conch Company Limited.

(8) The indirect interests of directors and shareholders of the Company presented in the above are calculated pursuant to the Malaysian Companies Act, 2016.

Analysis of Shareholdings

As at 20 June 2019

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORY OR REGISTER OF MEMBERS

(without aggregating the securities from different securities accounts belonging to the same registered holder)

No.	Name of shareholders	Number of shares held	% of issued ordinary shares
1	HKSCC Nominees Limited	332,971,163	19.74
2	Progresif Growth Sdn Bhd	296,463,556	17.57
3	Tan Sri Datuk Sir TIONG Hiew King	86,359,058	5.12
4	Ezywood Options Sdn Bhd	75,617,495	4.48
5	Teck Sing Lik Enterprise Sdn Bhd	65,319,186	3.87
6	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	64,761,322	3.84
7	Zaman Pemimpin Sdn Bhd	62,300,000	3.69
8	Madigreen Sdn Bhd	52,875,120	3.13
9	Nustinas Sdn Bhd	37,290,064	2.21
10	Kinta Hijau Sdn Bhd	34,750,000	2.06
11	Insan Anggun Sdn Bhd	31,073,942	1.84
12	Pertumbuhan Abadi Asia Sdn Bhd	26,808,729	1.59
13	Raya Abadi Sdn Bhd	25,124,065	1.49
14	Tiong Toh Siong Holdings Sdn Bhd	20,235,060	1.20
15	Globegate Alliance Sdn Bhd	16,750,000	0.99
16	Rimbunan Hijau (Sarawak) Sdn Bhd	15,536,696	0.92
17	Amanahraya Trustees Berhad (Public Ittikal Sequel Fund)	14,664,700	0.87
18	HSBC Nominees (Asing) Sdn Bhd (Exempt An for Bank Julius Baer & Co. Ltd. (Singapore Bch))	12,836,000	0.76
19	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt An for Deutsche Bank AG Singapore (Maybank SG PWM))	11,144,189	0.66
20	Pertumbuhan Tiasa Sdn Bhd	10,230,945	0.61
21	Amanahraya Trustees Berhad (Public Islamic Select Treasures Fund)	10,047,000	0.60
22	Ms WONG Kieh Nguk	9,520,000	0.57
23	Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Datuk TIONG Thai King)	9,080,600	0.54
24	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt An for Bank of Singapore Limited)	9,000,000	0.53
25	Ms WONG Souk Ming	8,289,374	0.49
26	Roseate Garland Sdn Bhd	7,881,117	0.47
27	Rimbunan Hijau Southeast Asia Sdn Bhd	6,532,188	0.39
28	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB Bank for Mr TIONG Chiong Ong (MQ0517))	6,313,205	0.37
29	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (PAR 1))	5,112,891	0.30
30	Amanahraya Trustees Berhad (Affin Hwang Aiiman Equity Fund)	4,585,200	0.27
		1,369,472,865	81.17

List of Properties

As at 31 March 2019

The top 10 land and buildings in terms of highest net book amount owned by the Group are as follows:

	Location	Year of acquisition	Tenure/Expiry of lease	Description	Approximate land area (Sq ft)	Approximate built-up area (Sq ft)	Approximate age of buildings	Carrying amount US$'000
1	No. 1, Jalan SS7/2, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	1994	Freehold	Office building	255,092	252,714	25 years	9,082
2	No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2008	Leasehold/2059	Office building	128,172	132,800	10 years	7,328
3	No. 76, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Printing plant	138,805	152,521	14 years	5,077
4	No. 19, Jalan Semangat, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2019	Leasehold/2059	Office, factory building and warehouse	46,978	34,243	25 years	4,658
5	No. 25, Rawang Integrated Industrial Park, Jalan Batu Arang, 48000 Rawang, Selangor Darul Ehsan, Malaysia	2002	Freehold	Office building and single storey factory building	131,987	111,326	24 years	4,533
6	No. 37-06, Prince Street, Flushing NY 11354, USA	2012	Freehold	Commercial building	1,005	3,938	15 years	3,900
7	Lot 22, Jalan Sultan Mohamed 4, Taman Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang Utara, Selangor Darul Ehsan, Malaysia	2012	Leasehold/2105	Warehouse	144,624	77,024	24 years	2,840
8	No. 76 Jalan Universiti, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia	2001	Leasehold/2063	Office building	50,500	51,505	28 years	2,717
9	Workshops 1–16 on 1/F MP Industrial Centre No. 18 Ka Yip Street, Chai Wan, Hong Kong	1992	Leasehold/2047	Storage	–	33,232	27 years	2,602
10	No. 80, Jalan Riong, 59100 Kuala Lumpur, Malaysia	1976	Freehold	Office building	42,715	81,618	44 years	2,506

Notice of
the 29th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-ninth Annual General Meeting ("AGM") of Media Chinese International Limited will be held at (i) Sin Chew Media Corporation Berhad, Cultural Hall, No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia; and (ii) 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on Wednesday, 14 August 2019 at 10:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Directors' and Independent Auditor's Reports thereon. — Ordinary Resolution 1

2. To approve the payment of Directors' fees and benefits for the financial year ended 31 March 2019 in the amount of US$251,000. — Ordinary Resolution 2

3. To approve the payment of Directors' fees and benefits from 1 April 2019 until the next AGM in the amount of US$283,000. — Ordinary Resolution 3

4. To re-elect the following Directors who retire pursuant to the Company's Bye-Laws:
   (i) Mr LEONG Chew Meng — Ordinary Resolution 4
   (ii) Mr YU Hon To, David — Ordinary Resolution 5
   (iii) Mr KHOO Kar Khoon — Ordinary Resolution 6

5. To re-appoint Messrs PricewaterhouseCoopers as auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration. — Ordinary Resolution 7

AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without amendments the following resolutions:

6. ORDINARY RESOLUTION

   RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

   "**THAT** subject to the passing of resolution No. 5, approval be and is hereby given to Mr YU Hon To, David who has served as an Independent Non-executive Director ("INED") for a cumulative term of more than nine (9) years, to continue to act as INED of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance 2017." — Ordinary Resolution 8

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with specific classes of Related Parties (as set out in Section 2 of Part A of the circular to shareholders dated 12 July 2019), which are necessary for the day-to-day operations of the Company and its subsidiaries, in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company; Ordinary Resolution 9

THAT such an approval shall only continue to be in force until whichever is the earliest of:

(a) the conclusion of the next AGM of the Company at which time it will lapse, unless the mandate is renewed by an ordinary resolution passed at the next AGM;

(b) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(c) the date on which the approval set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

AND **THAT** the Directors of the Company be and are hereby authorised to take all steps and to do all such acts and deeds as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

"**THAT** subject to the rules, regulations, orders made pursuant to the Malaysian Companies Act, 2016 (the "Act"), provisions of the Company's Bye-Laws, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules"), the Listing Requirements of Bursa Securities or of any other stock exchange and any other relevant authority or approval for the time being in force or as amended from time to time, and paragraph (a) below, the Directors of the Company be and are hereby authorised to repurchase ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Bursa Securities or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong, the Stock Exchange and Bursa Securities for this purpose, upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that: Ordinary Resolution 10

(a) the total number of shares of the Company which may be repurchased pursuant to the approval in the paragraph above shall not exceed 10% of the total number of issued ordinary shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the said purchase(s); and

(c) the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force during the Relevant Period.

For the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next AGM of the Company following the passing of the share buy-back resolution, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased pursuant to Rule 10.06(5) of the HK Listing Rules and/or to deal with the shares in any other manner as may be allowed or prescribed by the Act, rules, regulations and orders made pursuant to the Act, the HK Listing Rules and Listing Requirements of Bursa Securities.

AND **THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid purchase(s) of shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

9. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT**:

Ordinary Resolution 11

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

(c) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 10% of the total number of the issued shares of the Company as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

    (i) the conclusion of the next AGM of the Company;

    (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

    (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to the holders of the shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

Notice of the 29th Annual General Meeting

10. ORDINARY RESOLUTION

PROPOSED GENERAL MANDATE RELATING TO AN EXTENSION TO THE GENERAL MANDATE TO ISSUE NEW SHARES

"**THAT** subject to the passing of the resolutions Nos. 10 and 11 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution No. 11 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the total number of issued shares of the Company repurchased by the Company under the authority granted pursuant to resolution No. 10 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as the date of the said resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of the shares of the Company into a smaller or larger number of shares of the Company after the passing of this resolution)." Ordinary Resolution 12

11. SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE BYE-LAWS

"**THAT** the amendments to the Bye-Laws of the Company as set out in Appendix VI of the circular of shareholders dated 12 July 2019 be and are hereby approved AND THAT the Directors of the Company be and are hereby authorised to carry out all the necessary formalities in effecting the amendments to the Bye-Laws of the Company, with full power to assent to any condition, modification, variation and/or amendments in any manner as may be required by Bursa Securities." Special Resolution 13

By Order of the Board
MEDIA CHINESE INTERNATIONAL LIMITED
TIN Suk Han
TONG Siew Kheng
Joint Company Secretaries

12 July 2019

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one proxy or proxies to attend, participate, speak and vote instead of him. A proxy may but need not be a member of the Company. When a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

2. A member of the Company who is an authorised nominee as defined under the Malaysian Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy (but not more than two proxies) in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. For the purpose of the annual general meeting, the register of members in Hong Kong will be closed on Wednesday, 7 August 2019 to Wednesday, 14 August 2019, both days inclusive, during which no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 6 August 2019. In respect of the shareholders in Malaysia, a depositor in Malaysia shall qualify for the entitlement to attend the annual general meeting only in respect of shares transferred into the depositor's securities account before 4:00 p.m. on Tuesday, 6 August 2019.

   Shareholders who wish to request for transmission of their shares between the Malaysia Register and Hong Kong Register are advised to take note that request for transmission will be suspended from Wednesday, 7 August 2019 to Wednesday, 14 August 2019, both days inclusive.

4. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with (i) Malaysia share registrar office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or (ii) the Hong Kong head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

5. Explanatory notes on special business:

   (a) Pursuant to the Listing Requirements of Bursa Securities, fees and benefits payable to directors should be approved by shareholders at general meeting. In this respect, the Company is seeking shareholders' approval on the directors' fees and benefits to the non-executive directors ("NEDs") under the proposed Ordinary Resolutions No. 2 and 3. The directors' benefits comprise meeting allowance as and when incurred, after the NEDs have discharged their services to the Company.

   For the proposed Ordinary Resolution No. 3, the total amount payable is estimated for a period of 17 months from April 2019 to August 2020, based on the current Board remuneration structure and taking into account various factors including the number of scheduled Board meetings and Board committees meetings as well as the number of NEDs to be attended in these meetings.

   (b) For the proposed Ordinary Resolution No. 8, the tenure of Mr YU Hon To, David as an INED shall commence when the Company was dual- listed on Bursa Securities on 30 April 2008. In line with the Malaysian Code on Corporate Governance 2017, the Nomination Committee and the Board had assessed the independence of Mr YU Hon To, David, who has served as an INED for a cumulative term of more than nine years, and recommended him to continue to act as an INED of the Company, based on the following justifications:

      (i) he has fulfilled all the requirements regarding independence of an INED and has provided annual confirmation of independence to the Company pursuant to Rule 3.13 of the HK Listing Rules and Paragraph 1.01 of the Listing Requirements of Bursa Securities. There is no evidence that his tenure has had any impact on his independence;

      (ii) he has professional expertise in audit and finance sector, and detailed knowledge in corporate governance and regulatory matters. He has proven commitment and experience to provide an element of objectivity, independent judgement and balance to the Board for informed and balance decision-makings; and

      (iii) he has exercised due care during his tenure as INED and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board's decision-making in the interest of the Company and its shareholders.

   (c) The proposed Ordinary Resolution No. 9, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on normal commercial terms which are not more favourable to the related parties than those generally available to the public which are necessary for the day-to-day operations of the Company and its subsidiaries. Please refer to the circular to shareholders dated 12 July 2019 for more information.

   (d) The detailed information on Ordinary Resolution No. 10 on the proposed renewal of share buy-back mandate is set out in the circular to shareholders dated 12 July 2019 accompanying this Annual Report.

Notice of
the 29th Annual General Meeting

(e) The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the total number of issued shares of the Company, which was approved at the 28th AGM held on 14 August 2018 and which will lapse at the conclusion of the 29th AGM to be held on 14 August 2019. A renewal of this mandate is sought at the 29th AGM under proposed Ordinary Resolution No. 11.

The proposed Ordinary Resolution No. 11, if passed, will authorise the Directors to issue and allot shares up to 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors would consider to be in the interest of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority, unless revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate, if passed, will provide flexibility to the Directors of the Company to allot and issue shares for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment, working capital and/or acquisition.

(f) The proposed Special Resolution No. 13, if passed, will streamline the Company's Bye-Laws with the Listing Requirements of Bursa Securities and to update the Bye-Laws to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.

Media Chinese International Limited

MALAYSIA
No. 19, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7965 8888   Fax: (603) 7965 8689

HONG KONG
15/F, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong
Tel: (852) 2595 3111   Fax: (852) 2898 2691

www.mediachinesegroup.com